ON-THE-JOB AND APPRENTICESHIP TRAINING PROGRAMS

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BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

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ON-THE-JOB AND APPRENTICESHIP TRAINING PROGRAMS

WEDNESDAY, FEBRUARY 23, 1983

House of Representatives, Subcommittee on Education, Training and Employment, Committee on Veterans' Affairs, Washington, D.C.

Washington, D.C.

The subcommittee met, pursuant to call, at 9 a.m., in room 334, Cannon House Office Building, Hon. Marvin Leath (chairman of the subcommittee) presiding.

Present: Representatives Leath, Edgar, Evans, Kaptur, and Richardson.

OPENING STATEMENT OF CHAIRMAN LEATH

Mr. Leath. The subcommittee will come to order.

Welcome to the first meeting of the Subcommittee on Education, Training and Employment for the 98th Congress.

Because we have several new members, I will briefly explain the jurisdiction of the subcommittee. We deal primarily with the Veterans' Administration and the Department of Labor. Within the VA, this subcommittee has jurisdiction over education and training programs and the vocational rehabilitation program for service-connected disabled veterans. At the Department of Labor, we are concerned with the Veterans' Employment Service and the Office of the Assistant Secretary of Labor for Veterans' Employment, a position established by the 96th Congress as one of the provisions of Public Law 96-466.

I have provided each of you a synopsis of veterans programs within the Veterans' Administration and the Department of Labor that are of particular interest to this subcommittee.

I am happy that we have with us today representatives from both agencies. The Veterans' Administrator, Mr. Harry Walters, who we are happy to welcome to the committee, is scheduled to testify, as is Bill Plowden, who we are also happy to welcome, the Assistant Secretary of Labor for Veterans' Employment. We also have a number of representatives of national veterans organizations who will be testifying.

Training and employment issues will have the highest priority during this session of Congress. Many plans to assist the Nation's jobless, which range in cost all the way from approximately $4 to $7 billion, are being considered. For example, Secretary of Labor Donovan was quoted as contemplating a plan for creating 1.3 million jobs.

I firmly believe that this committee's first priority must be to take what steps we can to assist the hundreds of thousands of veterans who are unemployed.

Last month, in January of 1983, over 883,000 veterans were looking for work. The rate of unemployment for Vietnam era veterans, 25 to 29 years old, was a staggering 21.8 percent. Nonveteran males in the same age group were unemployed at a much lower rate of 13.7 percent. As many as 217,000 Vietnam veterans between the ages of 25 and 34 have been unemployed for 15 weeks or longer.

In the 97th Congress, legislation was enacted which strengthened veterans employment programs in the Department of Labor. Today we want to explore other avenues of employment and training assistance, specifically the on-the-job training and apprenticeship programs in the Veterans" Administration. These programs have been underutilized over the years and we want to find out why. It seems to me that in this time of severe unemployment training and retraining are badly needed by our Nation's veterans. Perhaps existing training programs need to be altered to make them more attractive to veterans; perhaps changes need to be made to make the programs more attractive to employers. It may be that in an emergency situation such as we have now, with the deepest recession in postwar history, that we need to establish an entirely separate emergency training and retraining program for veterans. Who would pay for such a program, if approved? How would it be administered?

Last year, in Public Law 97-306, the Congress clearly acknowledged that as long as underemployment and unemployment continue as serious problems among veterans, alleviating those problems is a national responsibility. Actions taken by this subcommittee in the last Congress, under the leadership of our colleague, Hon. Bob Edgar, chairman of this subcommittee during the 97th Congress, went a long way toward strengthening education programs and providing an improved and more effective program of on-the-job training and job placement for unemployed and underemployed veterans. The economic realities, however, dictate that we must do even more, and soon, to insure that the veterans of this country do not join the ranks of the permanently dependent.

We hope the testimony today will provide information and recommendations which will help the committee in its consideration of the No. 1 problem in the veterans community today—unemployment.

Our first witness this morning will be Administrator Walters——

Mr. **Edgar**. Mr. Chairman.

Mr. **Leath**. Yes, Mr. Edgar.

STATEMENT OF HON. BOB EDGAR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. **Edgar**. Before we move to our first witness, I wonder if I could just interrupt long enough to commend you on your new position as chairman of this subcommittee and wish you well over the course of this year.

I had the privilege of chairing this subcommittee during the 97th Congress and I have to say that the staff that you inherited for this subcommittee is an excellent staff. The cooperation that I received in the last 2 years from the service organizations and from the VA was really excellent. I want to assure you that I plan to work with you over the course of the next 2 years in any of the new directions that you choose to go.

I think that the unemployment rate nationally is catastrophically high. We can camouflage it by saying that it has gone down slightly, but many of the people who are unemployed are veterans, many are Vietnam era veterans, many are people who have been caught in the economic catastrophe that we have laid out for us in terms of our Nation's poor economic policy. I believe this subcommittee is going to have a great deal of work to do, not only making sure that veterans are well cared for in the short-term jobs bills that are being considered in the Congress, but over the long haul that we carefully construct a program that really responds to those veterans who have fallen through the cracks. I know that your leadership on this subcommittee will help us move in that direction and I stand ready to work with you in that direction.

Thank you.

Mr. **Leath**. Thank you. You will be a hard act to follow, Bob, but we are delighted to have your expertise and your experience and your commitment here.

Mr. **Edgar**. You have already improved the hearing by starting at 9 o'clock rather than 8:30. I see smiles on people's faces already.

Mr. **Leath**. Mr. Walters, again we are delighted to welcome you. As you know, you may proceed and summarize or whatever. Your entire statement will be included in the record.

STATEMENT OF HON. HARRY WALTERS, ADMINISTRATOR OF VETERANS AFFAIRS, VETERANS' ADMINISTRATION, ACCOMPANIED BY DOROTHY STARBUCK, CHIEF BENEFITS DIRECTOR; AND JOHN MURPHY, GENERAL COUNSEL

Mr. **Walters**. Thank you, Mr. Chairman.

I note that most of the smiles here today are on the faces of the subcommittee staff, who have been extolled so well in Mr. Edgar's comments. And since I haven't had a chance really to meet this staff yet, I look forward to working with the staff and this subcommittee over the years to come.

Mr. Chairman, I would like to personally thank you for starting your meeting a half hour early. That is better than a half an hour late, Mr. Edgar, because I had asked to be with you this morning and give you at least a few moments of my time to present my views. I have conflicts on my schedule and I thank you very much for arranging the earlier time.

Mr. Chairman, it is with great pleasure that I appear before you today to provide you with my evaluation of the Veterans' Administration's on-the-job and apprenticeship training programs and our coordination with the Department of Labor with regard to these programs as well as other matters on which you requested our views.

Before proceeding with my testimony, I would like to introduce the other members of the VA who are here at the witness table with me today. I am pleased to introduce, who I am sure you already know, Dorothy Starbuck, our Chief Benefits Director, and John Murphy, our General Counsel; Lou Dollarhide, Director of our Education Service; Steve Lemons, Director of our Vocational Rehabilitation and Counseling Service; and Edward Green, our Veterans' Assistance Service Director.

With your permission, I would like to summarize my prepared statement and ask that my full statement be printed in the record.

The high rate of unemployment within the Nation is of serious concern and I am pleased to hear that recent reports indicate that it is on the downward trend. Unfortunately, within these unemployed are many of our Nation's veterans, and I am committed to assisting these special individuals in their search for employment options and alternatives.

Section 220 of title 38 provides the Administrator broad authority to interrelate with other agency programs primarily affecting veterans. In this regard, I have instructed my special assistant, Mr. Kenneth Klinge, to begin work under this authority to establish a task force with other agencies which will also insure input from concerned groups in an effort to address employment problems and solutions of our veteran population.

I would now like to turn my attention to a review of our administration of the on-the-job and apprenticeship training programs. On-the-job training is designed to provide training in those fields that offer worthwhile knowledge and skills ordinarily obtained through the educational process leading to an accepted training objective. The job for which the veteran is to be trained must customarily require full-time training for a period of not less than 6 months and not more than 2 years. There must also be a reasonable certainty that a job will be available to the veteran or to the eligible dependent at the end of the training period. Apprenticeship training, on the other hand, consists of those programs which generally last more than 2 years.

Both types of training must be approved by the State approving agency and must meet a number of requirements before approval may be granted. In the case of both forms of training, the veteran or eligible person receives a monthly training allowance while participating in the program.

We at the Veterans' Administration have long recognized job training as an especially beneficial and effective means of readjustment. Veterans obtain job skills which serve them now and in the future. The training allowance provided by the VA allows a veteran who is generally older and other trainees who have one or more dependents to subsist on a trainee wage.

Despite the effectiveness and the advantages of job training, participation in this part of VA's readjustment program has always been disappointingly low. There are a number of factors we believe that account for this low participation figure. One of the most significant of these is the importance that society places on the college degree. Another factor has been the disproportion that exists regarding the assistance rates for job trainees compared with school trainees.

The second area I would like to touch on is the recently enacted legislation which permits veterans, whose 10-year delimiting date has expired, but who are unemployed, underemployed, unskilled or educationally disadvantaged, the opportunity to obtain needed training. This extension authority, originally set to expire on December 31, 1983, was recently extended to December 31, 1984. I believe this program will do much to invigorate our on-the-job and apprenticeship programs and aid veterans to obtain a reasonably stable employment situation.

Mr. Chairman, I would next like to review for you some of the steps we have taken to provide employment assistance programs for our disabled veterans.

I am pleased to report that we have substantially completed development of policies and procedures to carry out our new responsibilities for the provision of employment services under our vocational rehabilitation programs pursuant to Public Law 96-466. The result is that the VA is now in a stronger position to work closely with the Department of Labor and other agencies in carrying out new initiatives in the area of employment and training, including a job training partnership act.

Among the major steps we have taken is a comprehensive new agreement between the VA and Department of Labor, signed last summer, which incorporates organizational, legislative, and programmatic changes and encompasses all the VA and DOL components, except CETA, and successor job training and employment programs. This agreement also includes the outstationing of disabled veteran outreach staffs at VA facilities and the resumption of VA participation in the targeted jobs tax credit program which has been extended through December 31, 1984.

As of January 1983, VA and DOL instructions regarding the outstationing of DVOP's at VA and other locations have been substantially met. The targeted jobs tax credit program, which is designed to aid, among others, economically disadvantaged Vietnam veterans, and disabled veterans who are or were participants in the VA vocational rehabilitation program, is being marketed as a joint VA-DOL effort. We have assisted the Department of Labor by making suggestions regarding media materials and marketing techniques and our VA staff plays a major role in promoting TJTC by explaining the advantages of the credit to veterans and prospective employers.

As you are well aware, Public Law 96-466 extensively revised and modified our rehabilitation program in a number of respects. The basic eligibility period is now 12 years. Veterans for whom feasibility of vocational rehabilitation cannot be determined may enter extended evaluation programs to determine whether the veteran may attain a level necessary to enter training or to go into an independent living program. Financial assistance in a number of areas is provided the individual and postplacement and related services are provided as a part of the vocational rehabilitation program.

A total of 48,743 disabled veterans, an increase of approximately 4 percent over the prior year, were provided comprehensive evaluation services during fiscal year 1982. Of this number, 30,919 veterans were active participants in rehabilitation training or other rehabilitation services designed to restore employability. Approximately 78 percent of these disabled veterans received college training, 19 percent were in schools below college level, 2 percent in on-the-job training, and 1 percent in on-farm or independent instruction programs.

We at the Veterans' Administration are also working with the Department of Labor and other agencies and organizations in many other areas in assisting veterans who are seeking employment.

The Veterans' Services Divisions in our regional offices have established close working relationships with State employment service offices in their respective jurisdictions in order to help veterans seeking employment. Joint sponsorship of job fairs, career planning days, career development seminars, and job readiness seminars have been a high point of the VA and SESA activity cooperation in various jurisdictions.

During fiscal year 1982 our Veterans' Services Divisions referred 41,246 veterans to SESA's and other employment assistance activities. These referrals resulted in the employment of 4,795 veterans. We are sure that many others were successful in obtaining employment through these referral systems, but they are not captured in our statistics as we were not notified of the final action taken by the employer or the employee.

The issue, of course, is not only what has been done, but rather what is being done and will be done to improve a difficult employment situation for veterans. The effort to identify veterans needing employment assistance and to obtain that assistance through our own SESA contacts, our career development centers, and our other referral systems continues to be an overriding priority.

Finally, Mr. Chairman, you have requested that I discuss the two legislative recommendations relating to education and training which are included in our fiscal year 1984 budget request.

Our first proposal, we have recommended termination of the authority to make advance payments of educational assistance and subsistence allowances to eligible veterans and dependents.

Current law allows us to make an advance payment for the amount payable for the month or fraction thereof in which the training program begins, plus the amount payable for the succeeding month. Unfortunately, in many instances eligible veterans and persons have received an advance payment of benefits and have subsequently failed to pursue, or discontinued pursuit, or have reduced the rate of pursuit. This has caused an overpayment of all or part of their advance payment and it has been a source of substantial VA overpayments. I urge that this proposal be given early favorable consideration by your committee.

In our second proposal we are again recommending that the VA's authority to pay benefits for the pursuit of correspondence training be terminated. It is our position that this type of training has not achieved the objective of providing substantial employment for those trained, and that many have used this program for recreational or avocational purposes. We believe the program's ineffectiveness, along with the potential for continued misuse, warrants its termination.

I urge, therefore, that the Congress end this program once and for all. Such action would bring about over $20 million in savings over the next 5 fiscal years.

Mr. Chairman, this completes my formal presentation. I would be pleased to answer questions. But before that, I would like to add a couple of off-the-cuff remarks, if I might.

It seems to me, in the time I have been in the VA for the first 60 days, that many of the programs we see in place we do not do a very good job, either through the Congress or through the VA, of communicating what is actually available to the veterans. Getting to where the rubber hits the road, what does the veteran really know about what is available to him?

More importantly than that, what does the employer know and what pressure does the employer feel for the hiring of veterans. Over the last 15 or 20 years there has been a lot of affirmative action pressure from a number of minority groups and the veteran has not necessarily had a full play in that arena. So when you come to the employer, it seems to me we have to have a mechanism that will somehow get to the employer across America and will place some pressure on him, or at least, notify him on a communicative basis of what is available when he does hire a veteran. It would not be surprising to me to know that many of our employers are veterans, so it would be a natural thing for us to make contact with them.

I am going to work on that issue, and as I testified at the House Veterans' Affairs Committee hearing, we are going to work on perhaps establishing some kind of committee mechanism inside the VA to help with that, and we look forward to working with the subcommittee on that as well. Regarding section 220 of title 38 U.S.C., Ken Klinge has been looking at that for me, and he tells me that I have certain responsibility under that section, and I am very happy to accept these responsibilities.

It seems to me also that we need to pull together all the veterans programs. They are dispersed between SBA and Labor and VA and somehow we have got to have a forum in which they all can be discussed and work on a team-like basis to provide the communications necessary to provide services to the veteran.

So I look forward to again working with the subcommittee and the employees in the Veterans' Administration, as well as SBA and Labor, in order to accommodate the employment of veterans, because they are very special to me and high on my list of priorities.

Thank you, Mr. Chairman.

[The statement of Administrator Walters appears at p. 35.]

Mr. LEATH. I am extremely delighted to hear you say that, because that is exactly my feeling. As I have reviewed the programs that we have and so forth, I think you accurately identified one of the most severe problems, people not really knowing what is available.

My colleague, Mr. Edgar, is going to have to leave shortly, so I would defer to him at this point for any questions that he may have.

Mr. EDGAR. Thank you, Mr. Chairman.

Thank you, Mr. Administrator, for your statement. I would like to ask, first dealing with your off-the-cuff comments you made at the end of your statement, it has come to my attention that part of the President's package for the emergency jobs program that he set forward commits about $100 million of veterans funding for this effort to put people to work during this time of high unemployment.

Are you familiar with that $100 million commitment?

Mr. **Walters**. No, I am not. That commitment is not formalized, in my view. In fact, I am in discussions with OMB right now on the matter of what that will look like when it is firmly proposed.

Mr. **Edgar**. Let's suppose that it is a formal proposal by OMB and by the President as part of the $4.3 billion jobs program that they have put forward and which the Speaker of the House and the leadership has accepted, at least in principle.

If you had $100 million to expend on the accelerating of veterans medical construction projects, have you done any thinking about how that might be expended as quickly as possible to meet the principles and goals that the President has set out in a jobs program?

Mr. **Walters**. I have done quite a bit of thinking and, quite frankly, have not made up my mind as to exactly where that would be. There are many avenues of approach to that and I don't think at this point in time I am prepared to discuss the details, since I haven't priortized them in my own mind.

Mr. **Edgar**. Let me just make a quick comment.

Yesterday, in discussion on that subject with you at the VA Central Office—and, by the way, I appreciate your helping to set up that visit; it was very helpful—we did have a conversation in the area of construction of health care facilities and there is a long-term need to rehabilitate, reconstruct, and put in place new structures for health care facilities, replacing some of the hospitals that are 35 and 50 years of age.

If a $100-million figure were made available, either by the administration or by Congress, it occurs to me we would have to be careful to expend that in a targeted way, for areas of high unemployment because you could, in fact, spend all of that money in areas of low unemployment and not put anybody back to work.

I am suggesting to people in a variety of areas, transit and highways and other infrastructure areas, that it is one thing to say we are going to make this kind of investment, but it is another to make that investment in areas that have 3- and 4-percent unemployment and miss the Michigans and Pennsylvanias and Ohios that have much higher unemployment and need some help.

Let me leave that area and just ask one other question——

Mr. **Walters**. Mr. Edgar, if I might just add something that perhaps might flavor a little bit what you're saying. I think we ought to also be aware of the fact that, whether it is high unemployment on a percentage basis, or low, I think we ought to be able to look inside the demographics of unemployment and determine whether or not it is veterans who are unemployed in that particular area.

Mr. **Edgar**. I think that you need to play a really active role with the OMB and with the White House and the Congress in developing a plan, because if they do throw in a major piece of construction funds for the Veterans' Administration, you need to be part of it. But overall, if they are talking about putting people back to work, given the large number of unemployed veterans, that you need to make sure they don't get overlooked in the process of putting the jobs package together.

Let me just ask one final question.

There is some preliminary evidence that in the 136 readjustment counseling centers for Vietnam veterans a lot more people are coming for service, perhaps as many as 80,000 more this year and maybe 100,000 projected for next year to utilize the centers that are now in service.

Do you have any data or any statistics as to how many of those contacts are job related?

Mr. WALTERS. I do not have those statistics available. We can try and get them for the record for you.

[Subsequently, the Veterans Administration furnished the following information:]

The range in the six regions is from 17 to 33 percent with an average of 24 percent for employment problems.

However, because other problems are often presented as more disturbing, it is possible that the percentage is much higher than what the statistics actually represent.

Mr. WALTERS. I can tell you I visited two of those centers and I found that many of the people who run the centers are not understanding of the different tools that are available to them in the job placement area. Again, that is part of the communications that we have got to get at. This is a relatively new program and our people are now sitting on the cutting edge of that.

Mr. EDGAR. I would think that in your next 60 days—and I realize that it took some time to get in place and get on the ground, and it will take a long time to really understand an agency as large as the VA—that one productive area might be to do exactly as you have suggested, and that is to make sure that the personnel of the readjustment counseling centers really understand the need to coordinate with State agencies and local agencies what employment opportunities are there and to do some linkage.

There are some experiments around that are really doing very well in linking businesses with institutions of higher education. There is the Bay States Skill Center in Massachusetts, there is the work that the First National Bank of Boston is doing in trying to use their center as a clearinghouse to put people with certain skills together with particular jobs that are available.

I would think maybe in a small and a more targeted way, the readjustment counseling centers in this time of high unemployment, in areas where unemployment is catastrophically high, they could do as good as or a better job than they are doing presently by having that broader scope interface with some of the agencies in the neighborhoods that are doing job placement.

We, 2 or 3 years ago, didn't have those contact centers out in the community. They are now there, and I think in terms of communicating what veterans programs are available they will serve as a good opportunity to get information out to the people who are most impacted by unemployment.

Thank you, Mr. Chairman, for letting me ask those questions.

Mr. LEATH. Mr. Administrator, as sort of a followup to Mr. Edgar's question—I guess this is more of a comment—I do hope that you will involve yourself very actively in the President's formulation of the job program, and include at least some child's portion of that large amount of money that they are talking about spending for a program that I hope we can develop with your cooperation through this committee. So, knowing you, I feel like you will do that, but I certainly want you to know you will have our total support and we would be happy to use whatever influence we may have toward helping you with the administration to develop that.

You have made two recommendations, to terminate advance payments and correspondence training courses for veterans and their dependents. We have been told on a number of occasions that students receive advance payment money but never attend class at the institution, or sign up and go to one or two classes and then drop out. Obviously, this has been the source of much of the educational overpayments.

In this regard, at a hearing in Nashville, Tenn., Sister Mary Reginold of Aquinas Junior College in that city emphasized this problem and recommended ending those payments. I agree with the good Sister and all others who have recommended that these payments be eliminated.

The House has passed legislation, as you know, for 3 consecutive years to terminate correspondence training. In each instance, the Senate has rejected the legislation. At the same time, the amount of assistance paid to the veteran has been reduced from 90 percent to 55 percent. I know that a lot of active duty service persons used the GI bill correspondence training. A lot of veterans who were unable to attend educational institutions on a full-time basis find correspondence courses vital. The VA keeps recommending this program be terminated, but I would suggest that at this point you might want to do an additional review of your justification for this recommendation, since it would have some degree of logic at least to assume that when a veteran puts up 45 percent of his own money for the courses, that he is possibly a serious student. If you haven't developed any statistics or data since those changes have been made, I think it would be good if we reviewed that again.

Mr. WALTERS. Mr. Chairman, I can assure you that the VA is looking at that matter now, and hopefully we will have something to offer in the not too distant future.

Mr. LEATH. You stated that the low utilization rate for the on-the-job training and apprenticeship programs are due to two factors: The importance that society places on the college degree, and the difference in assistance rates for job training and school trainees.

As you also pointed out, the criticism we hear is that there has been a lack of aggressive marketing by the VA of on-the-job training. In addition, we are told, as you also stated, that there is little employer incentive for the program.

I totally agree with this. As you and I, I think, briefly discussed when you were before the full committee—and Mr. Edgar touched on this also—the possibility of using counseling centers to help that. But I'm just certainly inclined to believe that if there is a way, as much as possible under the mechanisms that we already have in place, of course, without increasing staff overly, that if we can target the jobs that are available, and the veterans that need those jobs, that we will have a much greater degree of success than we have had in the past. Now, how we go about doing that, I am not exactly sure.

But I do know there are some industries that are having an extremely difficult time of finding certain job classifications, and I think any program that we develop we could certainly make sure that that program was much more effective if we have the ability in some way to determine what jobs are available so that we can focus on that and focus on putting those veterans in those jobs.

Mr. WALTERS. Mr. Chairman, I totally agree with you.

You know, you look at the captains of industry, Roger Smith of General Motors was a staff sergeant in the U.S. Army and was educated on the GI bill. We know about Col. Frank Borman of Eastern Airlines. We have people in leadership positions who are veterans that are a natural for our onslaught, if you will, for making sure they understand veterans should be given some preferences in the companies. I share that with you.

Mr. Chairman, I have to apologize. I'm going to have to leave for my 9:30 appointment. I wanted to tell you how much I enjoyed being with you this morning. You can rest assured that the VA is going to cooperate with you in this effort in every way possible.

Mr. LEATH. Pardon me. I should have looked at my watch and realized that. I do have some other questions that I will submit to you in writing.[1]

I do want to give our new colleague, Mr. Evans, a minute or 2 there, if you could spare it, a new colleague from Illinois that asked to be on this committee, which a lot of our members have not in the past.

So, Lane, if you would——

Mr. EVANS. Thank you, Mr. Chairman.

I guess the chairman just touched on an area that I am very much concerned about, representing a district that has 14 counties in it, largely rural counties, that the correspondence training, although there have been some problems with it, I wish we could come up with a better proposal to deal with the problem rather than just totally eliminate it. I know it is a concern also because of maybe the disabled veterans who last week expressed their concern about the program.

I don't really have a question. I just wanted to indicate to you my uneasiness with the total abolition of that program.

Mr. WALTERS. I share your concern.

Mr. LEATH. Thank you, Mr. Administrator, Miss Starbuck and Mr. Murphy.

Mr. LEATH. Our next witness will be Mr. William Plowden, Assistant Secretary of Labor for Veterans Employment. Mr. Plowden, we are delighted to welcome you this morning.

Mr. PLOWDEN. Thank you, sir. I am happy to be here.

Mr. LEATH. After a very cordial visit in my office a few days ago, I know that you are interested in the same thing we are, so we look forward to hearing your testimony. As is the practice here, you may summarize it in any manner that you desire, and the entire statement will be included in the record.

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[1] See p. 40.

STATEMENT OF HON. WILLIAM C. PLOWDEN, ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT, ACCOMPANIED BY DONALD E. SHASTEEN, DEPUTY ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT

Mr. **Plowden**. Thank you, sir. I appreciate this opportunity and I want to introduce my Deputy, Mr. Don Shasteen, who is accompanying me here for this hearing.

I appreciate the opportunity to appear before you to discuss coordination between the Department of Labor and the Veterans' Administration with respect to the VA on-the-job training and apprenticeship programs and how these programs might be made more effective.

I am happy to report that we are working very closely with the Veterans' Administration. Our staffs meet at least monthly, and more frequently when required. I have met several times with Administrator Walters to discuss mutual concerns. I am especially pleased with the high priority that he has given to the employment problems facing veterans. We recognize that while our areas of responsibilities are different, our objective to insure the successful readjustment of veterans into civilian life is the same and, indeed, a mutual concern.

Additionally, the Secretary of Labor and Administrator of Veterans Affairs signed an interagency agreement this past summer for the purpose of insuring the maximum coordination of veterans programs and activities at all levels of operation. Of primary importance, the agreement requires development of State and local agreements. These agreements have been reviewed by our respective staffs, and we are meeting this week with the VA to jointly review our findings and develop recommendations.

One of the areas which the State and local agreements address is that of outreach to approved employers under the VA's on-the-job training program. Agreements are to describe the specific steps to be taken in outreach activities to approved VA/OJT employers, making maximum use of the VA list of such employers. Steps are to include procedures for the distribution of the list, contact procedures and coordination with VA regional offices and State approving agencies. Additionally, each State employment service agency is to establish cooperative working relationships with the VA office serving the State to insure that Disabled Veterans' Outreach Program staff and local veterans employment representatives maximize the use of VA training programs.

In this regard we are planning, under the veterans employment section of the Job Training Partnership Act (JTPA) to promote the development of jobs and training opportunities by providing reimbursement to the employer for a portion of the costs required to train a veteran. We think an employer may be better able to hire and train a veteran if we offer the employer some assistance with training costs.

As you know, under JTPA block grants will be provided to States for training assistance for disadvantaged persons and others who face serious job barriers, including eligible veterans. Our Job Training Partnership Act also authorizes financial assistance to employers for training costs. Of course, regardless of the program design, it will require a strong marketing and job development effort to provide veterans with a keen competitive edge in the job market. Accordingly, we are pursuing this approach in our JTPA veterans employment program.

This effort will be coordinated very closely with the Veterans' Administration and all other available sources. We will be requiring veteran program grantees and contractors to develop innovative methods to locate eligible veterans and potential employers, and to perform necessary matching services that will hopefully lead to increased utilization of the VA apprenticeship and on-the-job training programs.

In closing, Mr. Chairman, I feel confident that through a marshalling of our resources and programs, including the VA/OJT and apprenticeship programs, the Disabled Veterans Outreach Program, local veterans employment representatives, and others, and through a truly coordinated approach, the Department of Labor and the Veterans' Administration can become partners in developing jobs and training opportunities for veterans.

I want to thank you again for this opportunity, and I will be pleased to respond to any questions. I am always happy to visit with you and work with you in every way. I look forward to this year.

[The prepared statement of Mr. Plowden appears on p. 45.]

Mr. LEATH. Thank you, Mr. Plowden, and Mr. Shasteen.

As we discussed with Administrator Walters, it seems quite obvious and certain that the Congress will enact some kind of job assistance legislation this session. Did you make any effort to include a preference of some sort for veterans in any bill that the administration might bring forth?

Mr. PLOWDEN. I haven't so far because that has been really dealt with by the White House and the leadership of the Congress, but I certainly will pursue anything that——

Mr. LEATH. Could I get you to commit that you would make somewhat of a strong effort to meet and coordinate such an idea with Mr. Walters?

Mr. PLOWDEN. I sure will, sir.

Mr. LEATH. And, of course, with our staff, to try and make sure that such an initiative is included in this overall program.

Mr. PLOWDEN. I sure will, sir.

Mr. LEATH. We would appreciate that very much.

What has been the past experience in the Department of Labor with training programs that provide employer reimbursement for training costs?

Mr. PLOWDEN. Well, under the Hire II Program that we had a few years back, we thought it was very successful. In some areas it was not promoted, and due to the fact that the low labor rate was there it wasn't as successful. But we feel that the employer needs to be reimbursed, he needs to be given some incentive to hire our people, and coming from the private sector myself and having participated in a similar program to this many years ago with the VA, I feel it can be successful. But it has to be promoted and pushed real hard.

Of course, we have, as you know, Mr. Chairman, representatives in every State and there is no reason why we really can't put forth a lot of effort to put this across.

Mr. **Leath**. I would hope, too, as you and I discussed in our visit several days ago—and as we have talked with Mr. Walters—that you would help us in an effort to perhaps better identify the jobs that are available. The mechanics is the thing that I think we have to deal with—in other words, how could we perhaps do a better job than we have done in the past, not only of communicating what is available to employers and veterans, but also through some method that I would hope we could devise, to attempt to determine what kind of jobs were available and how we might mesh these in with veterans who are seeking employment either through on-the-job training programs or through an educational program.

I know, for example, in my district, we have Texas State Technical Institute, which has the capability to train a person for anything from deep sea diving to welding, laser technology, machinists. You know, if we could develop a program—Obviously we could identify the veterans I think that are unemployed. But if we can develop a program that would tie all of those things together so that we could take these unemployed veterans, if they had to have specific training before they went into the job, we could at least identify a job that would be there several months after they have gone through that training or identify one that they could go to as an on-the-job training type situation.

I think that is really going to be the key to how we can effectively spend the money and at the same time solve the problem.

Also in that same regard, I would like you to give some thought—if you haven't up to this point, and I'm sure you have—could we better target the incentive that we put in there? In other words, I am not convinced at this point, in the on-the-job training program, for example, that we are really giving the employer enough of an incentive to hire that veteran. To me, I think that appears to be a problem. My inclination is to think that if we targeted more of that incentive toward that employer, in an effort to reimburse him for the lack of productivity that you're going to get out of an individual if you hire him and you are, in fact, training him on the job, that there might be a greater incentive on the part of employers to hire that veteran than there would be under the current system that we have.

Mr. **Plowden**. Mr. Chairman, I would like to comment on that. We are in a different situation today than we have ever been in before, in my opinion. It is almost going to have to be studied, State-by-State or region-by-region, because you have different situations in all areas. You have to move some people, retrain them and everything else.

We need to better educate or assist the individual employer, because in the past I feel like they have been a little bit afraid of government, a little bit afraid of the records they would have to keep. They have been through a period where they have been burdened with a number of reports, even without hiring anybody. So we need to work with private industry very closely to assure them they are not going to be burdened by hiring veterans.

I think it is an effort that will have to reach almost every State individually. Of course, I feel that through the employment service we have the representatives out there to do just that. So in working with the VA, through our representatives there, we can accomplish this, yes, sir.

Mr. **Leath**. I totally agree with that. What I would hope you would do is get very actively involved with the VA and with our Committee, so that we can, in fact, create a program that will work. I also come from the private sector, as you did, and I understand the reluctance of employers sometimes.

I think we can come forth with a program if we really put our minds to it, that is not only going to alleviate that fear, but is going to make it attractive. So I would certainly encourage you to follow up your instincts. We are going to have to do it sort of timely because we don't have a great deal of time before all of this starts breaking. I suspect you already have some thoughts in the back of your mind as to how we might improve that.

Mr. **Plowden**. Yes, sir, and we need to confer frequently.

Mr. **Leath**. How many field positions, such as State directors, regional directors, secretaries, and so forth, are vacant, and do you have any idea when these positions might be filled?

Mr. **Plowden**. We have very few, sir, very few. One or two State directorships and one is being considered now, and we have one or two retirements. But other than that, we have them all filled. We have two regional directorships to be filled.

Mr. **Leath**. I have a series of other questions here for the record that I will submit to you.[1] That way we won't prolong it.

I am very much impressed with your grasp of your job, and I feel, at least from my own personal standpoint, that your goals are identical to what we want to do here. I am anxious to do what we can to help veterans in this country, particularly in this area, but I am also anxious, as I am sure you are, and as I am sure the President is, to make sure that money is spent properly. I think in the past what we have seen with so-called jobs programs, we have seen a lot of make-work, dead-end type situations that have quite accurately come under criticism. I don't think we have to develop such a program. I think we can develop one that is going to speak to the needs and it is going to get a very quick payback as far as the dollars we expend, so we look forward to working with you.

At this point I would like to recognize another new and delightful member of the committee, Ms. Kaptur. Would you care to ask Mr. Plowden any questions?

Ms. **Kaptur**. I do have a question. I am sorry to be late this morning. I was in another meeting.

I have a case here that I wanted to ask you about, which really tries to highlight the employment needs of women and how the Veterans' Administration deals with this. I wanted to go through the case and perhaps ask you if you could give me some advice on what this particular woman might do in order to advance her own education by using resources that are available through the VA, if that would be all right, Mr. Chairman.

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[1] See p. 46.

The woman I am speaking of was a registered nurse who went to Vietnam and had experience working in the area of enterostomal therapy—you may know about that—especially with Vietnam veterans, people whose internal organs had been damaged. She decided that when she came back to the States she would go to school and specialize in this area, so that she would be better helping people adjust to their very atypical situation under that condition.

After she went to her local college and signed up for courses, she went to the VA to get GI bill educational benefits. However, she was told she couldn't because this particular field, enterostomal therapy, was not an accepted training program. She was told, however, that she could go to truckdriving school and get benefits.

The point here is that people in the health care field do not seem to be treated perhaps as equals by the VA, and since 98 percent of the nurses in this country are women and are not—at least if this case is any illustration; it may truly be an exception. I am wondering about educational benefits that are available to women versus men in different fields and how I might gain a better understanding of this as a new member of this committee.

Mr. LEATH. Could we get Miss Starbuck to answer that question, please?

Ms. STARBUCK. I am a little bit appalled at your horror story, Congresswoman. I would like very much to discuss that case with you personally. I can assure you that something will be done for the young lady.

Ms. KAPTUR. But this is an abnormal situation?

Ms. STARBUCK. It certainly is.

Mr. LEATH. I can assure you, Marcey, based on past experience, that she will, in fact, do something for you.

Ms. KAPTUR. Thank you.

Ms. STARBUCK. I can meet with you after this meeting. I would be very happy to do that.

Ms. KAPTUR. All right. Thank you.

Mr. LEATH. Thank you, Miss Starbuck.

Thank you, Mr. Plowden and Mr. Shasteen. We look forward to working with you in the coming months, and thank you very much for your testimony and your excellent cooperation this morning.

Mr. PLOWDEN. Thank you, sir.

Mr. LEATH. Our next witness will be our good friend Ron Drach, national employment director of the DAV. Ron, I believe I saw you someplace last week.

Mr. DRACH. Yes, sir.

Mr. LEATH. We are delighted to have you here. You represent an outstanding organization that does a tremendous job for the disabled veterans in this country and we look forward to hearing your testimony. You have been here many times before, so it won't be necessary for me to tell you how we do things. You may proceed.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you very much, Mr. Chairman.

At the outset I would like to congratulate you on assuming the chairmanship of this very important subcommittee, and not only congratulate you but thank you for assuming the role of chairman. As you are probably aware, this is a very important subcommittee dealing with a long-term problem that we have been trying to address for at least a decade relative to Vietnam era veterans.

I am also very pleased to see the subject of these hearings being on-the-job training and apprenticeship training. I think perhaps for some reasons we have tended to overlook this very important program in the last 5 or 6 years and have concentrated more on direct employment assistance.

I think what is indicative of our overlooking of this subject is the fact that in 1975 GAO submitted a study to the Senate Veterans' Affairs Committee, then chaired by Senator Hartke, relative to the VA's on-the-job training and apprenticeship program. I highlighted in my prepared testimony, which I will not read, some of the recommendations and some of the findings of that study, but I would like to point out one conclusion that I drew from that study, and that was that had the VA and perhaps the Department of Labor been more aggressive in the marketing of OJT—we have heard that term a couple of times this morning—the marketing of OJT, perhaps we wouldn't have to be looking at the issue today.

The GAO made several recommendations. Perhaps the most obvious problem or fall through the cracks, if you will, is the fact that employers for the most part stated that they would have hired or trained more veterans had they been referred. And we have all heard the arguments over the years that employers can't find veterans, when we have almost a million unemployed today, and that number has fluctuated anywhere from 375,000 to 800,000 in the last couple of years. I am not sure why they can't be found.

I think, if we look at some of the recommendations made in the 1975 GAO study and perhaps take them and implement some of them today in some future legislation, or even administratively—I think some legislation is needed, but I think also steps can be taken immediately by the Department of Labor and by the Administrator to enhance the on-the-job training program for those who still have some eligibility. I think some of the steps they could take would be to identify the employers who have had an approved on-the-job training program and find out how many of them may still be interested in continuing some sort of a program along those lines.

I think we need somehow to identify through the employer community, or direct one-to-one contact with employers, what their needs really are. I think for too long the educators in this country have read forecasts, if you will, by the Bureau of Labor Statistics and other groups, that say in the 1980's we're going to have a shortage of whatever, and high school counselors have a tendency to counsel all of their students to go into that particular field. Well, by the time these people are trained for that particular shortage, the market is glutted with experts in that particular field. I think we have too long neglected to look at the local market to find out what the local employer needs are and not what the national employer needs are.

I think we need to notify all the VA regional offices, hospitals, voc rehab offices and career development centers of the employers in their particular areas who are interested in and able to participate in some training programs. We think the Assistant Secretary of Labor must concurrently provide that information to his field staff. We think the VA needs to provide an updated list of the disabled veterans on the compensation rolls out to the DVOP personnel. That list has been sent out in the past and it has been used in various areas very effectively. We think we need to identify not only the employer who has jobs or training spots, but also the veteran, especially the disabled veteran, who is willing, able and ready to go into these training spots.

I am a little bit confused about some of the rhetoric about employer commitments, employer this and employer that. In 1970 Lou Harris and Associates did a survey that concluded, among other things, that about 80-some percent of the Nation's employers felt more needed to be done for Vietnam veterans. A similar survey done in 1980 revealed that although the percentage has decreased a little bit, an enormous 76 percent of these employers said that more needs to be done to help Vietnam veterans.

Now, at some point in time—and perhaps the Administrator's recommendation on some sort of a national committee may go toward reaching that goal. But at some point in time we have got to say to these employers stop telling us that more needs to be done and do something about it. Whether that is in the form of on-the-job training programs, whether that is in the form of some monetary assistance to defray some training costs, we're not really totally sure. There are many ways we can approach this.

Philosophically, we are opposed to subsidizing employers to hire veterans. We are not opposed to giving some economic relief for extraordinary training costs, for perhaps modifications to the job sites for disabled veterans, things of that nature. But to go out and say to an employer "we're going to give you $500 a month if you hire veterans" or something like that, we can't go along with that type of a program. We think there are other ways that employers can be helped out financially to defray some of the extraordinary costs of training. But I think we have to proceed cautiously. We can't just blanketly approve a program that employers might end up training veterans for the so-called obsolete smokestack industries. We need to look at the local job market. We need to find out what the employers in Paducah, Ky. want and need to hire veterans.

Although this is not a very good survey, I did talk to a public affairs director, whom I know, who works for a very large southwestern company—as a matter of fact, he is in your home State, Mr. Chairman. I asked him, what is it going to take to get the employer community to really hire veterans. He paused for a moment and he said intervention from top management to the hiring sites, to convince and to convey to those hiring authorities that the chief executive officer means what he or she says, that there is a commitment in that particular firm to hire more veterans.

That concludes my statement, Mr. Chairman. I will be happy to answer any questions.

[The statement of Ronald Drach appears at p. 47.]

Mr. **Leath**. Thank you, Ron. I think you have echoed exactly the way we feel about this.

On page 3 of your statement you refer to the 1975 GAO report which recommended that the VA and Labor Department work closely together in order to stay in touch with employers who have approved on-the-job training programs for veterans.

Are you aware of efforts made by these agencies to periodically contact employers to insure their continued commitment to this program—in other words, what do you feel that both the agencies are doing. Are they doing anything, are they doing just enough to get by, or do they actively pursue——

Mr. **Drach**. Relative to the on-the-job training and apprenticeship programs, very little has been done over the last 6 or 7 years. As a matter of fact, I can't think of anything specifically that was done by either the Department of Labor or the VA.

Sadly, in the past, we have actually had employers call us, again looking for veterans to hire or train or whatever. Generally, the common response to our question about have they gone to the VA is "yes, we have been to the VA, and the VA can't or won't help us. The VA doesn't refer veterans for employment; the VA doesn't assist veterans in finding employment." I think that is sad, because that is where we have them. What is the most logical place to go to look for veterans? The VA. Any veteran that has ever applied for and received a benefit is in the system. We can identify those veterans. We know all kinds of things—the education level, the income level, work history, all kinds of neat things we know about veterans in the VA computers. But they have just been reluctant to get involved until Mr. Walters has come onboard and has shown a very positive attitude.

Mr. **Leath**. I think what you are saying is there is a breakdown somewhere in coordination between the Department of Labor and the employers and veterans that really is sort of negating——

Mr. **Drach**. If I may make a recommendation, Mr. Chairman, it may be advisable to ask the VA and the Department of Labor what they have accomplished since the 1975 GAO study and what they have done to implement those recommendations.

Mr. **Leath**. That's a good suggestion.

Do you think that these agencies, in fact, have adequate facilities and personnel to maintain this contact, as opposed to perhaps just a lack of coordination or lack of definition from the standpoint of what each agency is required to do? In other words, are the things in place to do the job if we just get the right formula together?

Mr. **Drach**. I think there has been a couple of problems associated with that. One, on the part of the Veterans Employment Service, I think for all too long they have had a lot of responsibility but no authority. I think the changes that were added last year in Public Law 97-306 gives the Assistant Secretary of Labor for Veterans Employment and his field staff more authority to do some of the things that we think Congress intended in 1972. So I think that, No. 1, will go a long way. In the past, the VES staff really didn't have a lot of authority to go out and do some of the things that we're talking about.

The VA, I think, for all too long, neglected their responsibility, morally and legally, as far back as right after World War II, in terms of their lack of really concerted and concerned interest or emphasis on trying to provide employment assistance.

A good example is the vocational rehabilitation program. Up until 1980 the VA did not see its role as being one of an advocate for employment for voc rehab recipients. The DAV has argued, for at least the last 10 years that I'm aware of, that the VA Administrator had a regulatory authority to do something that was never exercised. Finally, they have a legislative mandate to do something, and I have a lot of optimism about that program being successful.

Mr. **Leath**. So you think it is probably more a lack of authority and direction——

Mr. **Drach**. If I had to differentiate or pick one of the two, I would say it was a lack of direction.

Mr. **Leath**. You heard my comments earlier to both witnesses about my personal inclinations of what I think may be misdirected incentive to some degree. Of course, obviously, everybody has talked about a "lack of marketing". I totally agree with you, that I don't ever want to have a situation where we are subsidizing employers to hire veterans. I think that is unthinkable. But I do think there is a strong differentiation between that and subsidizing training costs.

Mr. **Drach**. Exactly.

Mr. **Leath**. Obviously, as a person who has employed many people down through the years, I certainly understand the difference between hiring a person that I'm going to pay $5 an hour that is certainly not going to be able to give me but $3 or $3.50 an hour in productivity for a period of time, until I can train him or her to do that job. So I totally agree with that. But I think we can make that differentiation.

Would you agree that perhaps a reanalysis or reconsideration of the way in which we do that at this point might be in order? After all, the key thing we are after is to get that veteran employed, and to get him trained and to keep him employed in a long-term situation. I think, from my mind, in order to overcome the natural reluctance of most businesses, particularly small businesses in this country, who say, "Hey, man, I don't want to get involved with the Federal Government; all those reports, I've got all I can say grace over with the Wage and Hour people and the IRS, OSHA and EPA," et cetera. Can't we overcome that, if we had a program that was simple enough from the reporting standpoint and what have you, that wouldn't scare the man to death if he knew what it was all about, but at the same time give us the ability to subsidize a portion of that training cost up front, which might give him or her an incentive to really seek out that veteran more actively.

Mr. **Drach**. I think there is a couple of things that need to be looked at, Mr. Chairman. I think maybe you hit the nail on the head when you said the small business. I am of the opinion that some of these larger corporations in the Fortune 500 aren't really in a position to actively hire, train or need, if you will, any type of on-the-job training assistance. I think we have found through the hire program, the help to industry for retraining and employment several years ago, that we missed the boat there also, that we concentrated too much on the large employer and not enough on the small employer.

Several studies, one by the Bureau of Labor Statistics and the other by MIT, indicated that over the last decade and again in the next decade, something like 80 percent of the new jobs—we're not talking about turnover; we're talking about new jobs—80 percent of the new jobs come from employers that hire less than 100 people.

Now, if you take a program and you go out and focus your resources on the Fortune 500, we are missing the target. As I said earlier, when we try to assess employers' needs, whoever does it at that local level has to look at the local economy. He cannot look at a Bureau of Labor Statistics report and say that over the next decade we're going to have a severe shortage of experts in robotics, because they may not need experts in robotics in Paducah, Ky. You know, what they may need are carpenters, plumbers, electricians, I'm not sure. But somebody at that level needs to look at the local employer needs, and again not at the subsidiary of General Motors, but at that small "mom and pop" store, if you will, as I believe these are the people who want and need and can benefit from some sort of assistance to defray some of the training costs or perhaps even tax credits, or additional help in removing architectural barriers for the disabled veteran.

Several years ago, when Senator Dole was talking about the legislation to give incentives to remove architectural to public buildings, we had recommended then that that be taken a step further and give employers tax incentives to remove architectural barriers to the worksite. We think something like that may be very beneficial also.

Mr. LEATH. I tend to agree with you, that small business is going to be somewhat more receptive to on-the-job training. But I also want to plant this thought with you, a thought that I have.

There was an article in Saturday's Washington Post which points up the statement I'm going to make. It talked about Litton planning to expand in Prince Georges County, one of the neighboring counties here, 700 jobs, a lot of which will be high tech. In a conversation I had with Mr. Plowden and also with Administrator Walters, it is quite obvious that even though perhaps some cuts will be made in the defense budget due to our situation at this point—but we are going to have an increase in defense buildup in the coming years because I think generally the Nation agrees with that—that is just one example of possibly a lot of high tech type jobs.

Don't you think, though, that we could approach those large companies, the Fortune 500 types that you talked about, if we were able to identify—and as I am sure you are familiar with the defense-industrial base study done by the House Armed Services Committee about 4 years ago, 3 or 4 years ago, which pointed out that coming into the decade of the 1980's we had a tremendous shortage in a great many high tech or semihigh tech or specialized type jobs. I think if we could identify, for example, what a company like this 700 jobs that Litton is going to create, we could sure dovetail that in with the situation that I spoke about not only in Texas, but most States have excellent training fascilities such as Texas State Technical Institute, for example, where a company can say "we need 75 computer programers, we need 75 machinists, we need 25 people in laser technology" or what have you. In my mind, at least, having identified that, if we had a program in place where we could say sure, we will identify these veterans for you, we will see that they are trained, you make a commitment to accept them when they have completed that training in 3 months, 6 months or whatever, don't you think that would be an important part of the program?

Mr. **Drach**. Yes, Mr. Chairman, and maybe I overemphasized the small employer. I think what we need to do is identify the jobs, wherever they may be. I think also we need to identify them before the Washington Post does, because once that hits the paper—you now, almost every week you will see X-Y-Z corporation saying they're going to hire 300 people and you find 15,000 people stampeding to apply for those jobs. I think this is where the Veterans Employment Service and its network, specifically through the disabled veterans outreach program, can be very beneficial in going out to those employers.

We have perhaps a job description problem out there also with the disabled veterans outreach people who are somewhat competing with the traditional employer relations representative who is a State employee, to get the employer to come in with the job openings that they have. I think if we can utilize the DVOP in that way, we can realize that goal a lot quicker.

Mr. **Leath**. I apologize to Ms. Kaptur. I have consumed too much time here. I would yield to you at this point.

Ms. **Kaptur**. Mr. Chairman, I really have one question, kind of following up on your idea about marketing, the Job Training Partnership Act. I know in my own State it has recently resulted in the Governor beginning to appoint the local representatives in order to effect the different provisions of the act.

I am not familiar enough with the act yet to know this or not, but I am just curious as to how veterans relate to—and I wanted to ask the witness if he knows this—will they be represented on these local committees that are being set up? There is a requirement that over half of the local boards must be from the private sector, and I am just curious as to how we might maximize the attention paid to veterans. As these are being set up all over the country, they are brand new. I wonder if you had any thoughts on that.

Mr. **Drach**. The first part of your question, as to whether or not veterans will be represented, the answer is yes, if we fight like hell to get on the committees. I say that only because in enacting that piece of legislation there is a separate section in the law dealing with veterans employment. But, sadly, there is nothing in the law that requires veteran representation on these particular State councils, State committees, local committees, whatever they're going to be called.

We saw that same thing happen with the old Comprehensive Employment and Training Act. It was never done, and finally, in the 1978 amendments to CETA, veterans representation was mandated at the local level. But we were 5 years too late. Perhaps the only way we can do this is again aggressively market to the Governors and to the local authorities the need for veterans representation.

Ms. **Kaptur**. Mr. Chairman, I might suggest that a letter from the members of this committee to the Governors or something like that might be useful, if it is not in the authorizing legislation, because—I don't know about your State, but I know in mine they are just getting off the ground. We have so many unemployed veterans in my district.

Mr. **Leath**. I think that is an excellent thought. We will ask the staff to look at that and see what might be our best action.

Ms. **Kaptur**. Right. Thank you.

Mr. **Leath**. Ron, one more question. Would the DAV support emergency legislation that would create a training program for long-term unemployed veterans, which would incorporate a sensible employer incentive such as partial reimbursement for training costs to either on-the-job or some vocational training vehicle?

Mr. **Drach**. Yes, Mr. Chairman. In my statement we indicate that something needs to be done in terms of eligibility and in terms of extension and monetary benefits. We are very willing and desirous of working with you and the committee members and the staff in developing some form of legislation that would go toward that goal.

Mr. **Leath**. I would like to encourage you to use the influence of your national organization to make sure the President and the Speaker, and anyone else in a leadership position, as we go into this, understands that we would like to have such a program included at this point. I think time is of the essence, and I would also hope that you would work with Mr. Walters and Mr. Plowden, since both have indicated that they most definitely feel that we are headed in the right direction, to see if we can't get something developed here in the very near future.

Thank you again for your usual outstanding testimony. We appreciate your being here.

Mr. **Drach**. Thank you very much, Mr. Chairman.

Mr. **Leath**. Our next witness will be Mr. Jim Magill, special assistant, National Legislative Service, Veterans of Foreign Wars. Jim, we are delighted to welcome you this morning.

Again, you are no stranger here, and certainly you understand our procedure. So we would just ask that you begin, and, of course, your entire statement will be included in the record.

STATEMENT OF JAMES N. MAGILL, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS, ACCOMPANIED BY KIM GRAHAM, SPECIAL ASSISTANT FOR EMPLOYMENT AND READJUSTMENT, VFW

Mr. **Magill**. Thank you, Mr. Chairman, for the opportunity to present the views of the Veterans of Foreign Wars with respect to the on-the-job training and apprenticeship programs administered by the VA. With me today is Mr. Kim Graham, who is our special assistant for employment and readjustment.

Mr. Chairman, we believe these two programs should enjoy the full and continued support of the VA. Recently, both programs have had a steady decline in participation. We believe a less than vigorous promotion effort on behalf of the VA is the major reason for the decline in the OJT program, while the economy is the contributing factor for the apprenticeship program. Should the economy witness a turnaround and the VA put more effort into informing veterans of the availability and benefits of the OJT, we believe both programs would see a substantial increase in participation.

We are pleased to see the transfer of the Office of Veteran Reemployment Rights to the Assistant Secretary of Labor for Veterans Employment. The OVRR has been successful in the past and we have no reason to believe it will not continue to be so. We now think it is time to make the same move with the veterans programs of the Office of Federal Contract Compliance program.

Finally, Mr. Chairman, we were also pleased to see the number of vacancies in the Veterans Employment Service being reduced. We trust Mr. Plowden will continue this course and fill all the remaining positions.

This concludes my statement. We will be happy to respond to any questions you may have.

[The statement of James N. Magill appears at p. 49.]

Mr. LEATH. Thank you, Jim.

You heard, of course, all of the questions that we addressed to Mr. Walters, Mr. Plowden, and Mr. Drach. What specific changes do you think should be made in the VA's on-the-job training program to make it more attractive to veterans and employers?

Mr. GRAHAM. Basically, I think we would have to echo the comments that have been said earlier. Due to the marketing of the program it has enjoyed an absence of attention over a number of years. The basic fact is that people aren't aware of it being out there.

With the apprenticeship program, however, that is a whole different ballgame. I began monitoring the apprenticeship program a number of years ago and discovered—and was very much satisfied I might add—that veterans did very well under that program, and as a result I felt that I wasn't going to fix something that wasn't broken. I basically kept away from it since. Now, unfortunately, as a result of this hearing, I have started looking at the program again and I have found out some interesting things about it.

There used to be a system in place called the SNAP system, which was the State and national apprenticeship reporting system. At that time they used to track the usage of veterans and handicapped. However, as of October 1, 1981, the tracking is no longer being conducted. This was stopped as a result of the action of the administration or more specifically the Office of Management and Budget. They said they stopped tracking because of budget costs and paperwork. So now we really don't know how much the apprenticeship program is being used.

I find it somewhat ironic that they still do monitor women and minorities; however, they felt justified to drop the monitoring of veterans and handicapped, certainly two groups that I think are very deserving of maintaining the tracking.

You asked earlier about the funding level, and within the Bureau of Apprenticeship Training, their funding level has been reduced recently. In fiscal year 1981 they used to have a staffing of 340. In fiscal year 1983 they are down to 285, with the projections in fiscal year 1985 of 256. They also have problems with their travel costs.

Now, both these actions taking effect naturally have a disasterous effect toward the Bureau's effort to get the word out, to help people, to do something substantial for veterans. So obviously, at a time when we could use their services more, and to have them being reduced, it is like adding kerosene to a fire. It just makes the situation worse.

So I believe one of the solutions with regard to the apprenticeship program would be to increase the funding, certainly the travel costs, and reinstitute the SNAP system, so that we can find out exactly what is the usage by veterans of this very useful program.

Mr. **Leath**. We will sure follow up on the monitoring. I have in my mind that has come up somewhere before, that we discussed that. But we will submit a question to Mr. Plowden for the record as to why that has not been done.[1]

What is your feeling about our exchange of comments on perhaps reworking the incentive part of on-the-job training and perhaps dovetailing that with a program that will not only include on-the-job training but specific training for specific jobs if we, in fact, had a mechanism where we could identify those jobs?

Mr. **Graham**. Personally speaking, I would enjoy any program that assisted veterans getting a job. We are really somewhat mandated by our resolutions as to comment on specific programs. We would be very interested in working with the staff as to the makeup of this type of program. I am sure that if it would help veterans that our organization would be favorably inclined to go along with a program such as that.

Mr. **Leath**. We would surely encourage you to do that. The same challenge I issued to Mr. Drach, I hope that you will, since time is of the essence, that you will make the general views of the organization at least known to those who will be influencing the shaping of that legislation.

Ms Kaptur?

Ms. **Kaptur**. I have no questions, Mr. Chairman.

Mr. **Leath**. Thank you very much, Jim, and Mr. Graham. We appreciate very much your testimony and we look forward to working with you.

Mr. **Magill**. Thank you, Mr. Chairman.

Mr. **Leath**. Our final witness is Mr. Richard Weidman, membership services director, Vietnam Veterans of America. We are delighted to welcome you, Mr. Weidman.

STATEMENT OF RICHARD F. WEIDMAN, MEMBERSHIP SERVICES DIRECTOR, VIETNAM VETERANS OF AMERICA

Mr. **Weidman**. Thank you, Mr. Chairman.

My name is Richard Weidman and I represent the Vietnam Veterans of America, as you just noted, sir. We appreciate the opportunity to appear here this morning to share our views about the employment programs of the Vietnam era and disabled veterans.

If I may, sir, I will just try and hit the highlights and ask that the statement in its entirety be entered in the record.

Mr. **Leath**. It will be included in the record, without objection.

Mr. **Weidman**. Thank you, sir.

As has been stated here very eloquently this morning, I think we are all aware in this room of the difficulties experienced by Vietnam era and disabled veterans, as well as older veterans, laid off from their jobs, and perhaps permanently displaced, with very little possibility of returning to the work that they have done for decades.

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[1] See p. 46.

The national commitment that I think has been reaffirmed by the chairman and by members of this committee continually to the special national responsibility for veterans employment has, of course, been established for a long time. The question is, how well are the institutions, put in place in the Federal Government, meeting those traditional responsibilities, particularly over the last 18 months. Our conclusion is, not very well, sir.

This is perhaps not the place to review the chain of failures that have characterized Federal job efforts over the past 10 years, particularly for disabled and Vietnam era veterans, but instead we would like to present our observations concerning the present effectiveness of existing agencies and programs, while at the same time noting that some of these problems have seemed to be chronic in nature.

While we believe the present Assistant Secretary, Mr. Plowden, has achieved some successes during his tenure, particularly in assumption of control over the disabled veterans outreach program, the DVOP, and hopefully soon over the Office of Contract Compliance, we at the Vietnam Veterans of America are also very concerned that his office has not exercised what we would regard as strong leadership, or strong enough leadership, if you will, in the creation of new programs and policies to respond to the present employment needs of veterans. We feel that Mr. Plowden's office did not materially contribute to the creation of a veterans job training program under the Job Training Partnership Act and, indeed, at the early stages at any rate, opposed the creation of a separate program during most of the time JTPA was under consideration by this committee and by the Congress as a whole.

We are particularly concerned that the regulations for the Job Partnership Training Act, which were issued on January 18, 1983 in the Federal Register, contained no reference to the special needs of unemployed veterans. Indeed, it is our understanding that whatever input Mr. Plowden's office made to these regulations was summarily rejected by Assistant Secretary Albert Angrisani. We also understand that Mr. Angrisani has been responsible for reducing the available funding for veterans programs under title IV, subpart C, of the Job Training Partnership Act, from $14 million to $9.4 million in fiscal 1984. The original $14 million was, in our view, scarcely enough to put a dent in the veterans joblessness picture, and this latest reduction can only be viewed as nothing less than insulting. What it means is that, out of a $3.9 billion job training program, veterans programs will be funded at $9.4 million, or two-tenths of 1 percent.

While we are pleased with Mr. Plowden's efforts to assume direct control over the DVOP program, we are concerned with the overall health of the Employment Service itself, that being the keystone of the Government's employment efforts on behalf of veterans. But its personnel and funding continue to be subjected to unacceptable reductions. More importantly, we feel that the whole area of veterans employment should not be subjected to total dependency on just the Employment Service. Even with a strong Employment Service, more needs to be done to help get veterans back to work. The Employment Service is, after all, only a labor exchange, which is totally dependent on the number of jobs available in the labor market which happen to be listed at any given time. As I am sure you are very aware, Mr. Chairman, almost 90 percent of all jobs created in this country are never advertised anywhere, and not with the Employment Service and not in the newspaper, not anywhere.

What is needed, in addition, is concerted action on the part of the Veterans Employment Service, particularly by the local veterans employment representatives, by the DVOP's, by the assistant State directors and by the State directors, to actively locate additional employment opportunities for veterans as well as assisting Vietnam era and disabled veterans in acquiring and properly presenting the skills necessary to successfully compete for those jobs. In other words, counseling as to how to delineate skills, prepare résumés, et cetera, working with knitting together both public and private resources in a given locality to present a total package, if you will, in many cases, volunteer services from personnel directors of private industries in that area. We feel that where that is happening—and in many cases there is that kind of initiative that comes to our attention on the part of many DVOP's and many LVER's—it is not a consistent pattern, Mr. Chairman. It is that kind of tenacious leadership that we are suggesting needs to permeate the Veterans Employment Service to take advantage of the resources that are there.

We are suggesting that the Veterans' Employment Service must assume an assertive and active role over and above what has in the past been a somewhat passive monitoring role. We are suggesting they take the lead in large measure when it comes to this, rather than just monitoring what VES does.

We would favor the creation of a jobs program for veterans which emphasizes on-the-job training, leading to substantial careers in the private sector.

While the on-the-job training program under chapter 34 of title 38 has been highly successful in terms of the quality of training and completion rate for veterans employed in such training, it has not been successful as a jobs program in the turbulent economy of the last 5 years. It is furthermore not, nor was it intended to be, a jobs creation program. We believe that the VA OJT program needs to be overhauled to afford to employers an incentive for their participation in the form of reimbursement for the legitimate cost of training.

We would agree with you, Mr. Chairman, that there should not be subsidy of veterans employment of private employers, but to cover legitimate training costs. We believe this will stimulate the creation of jobs for veterans by covering those training costs, and that the Veterans' Administration has the administrative capacity and experience to successfully administer such employer incentive programs.

We would note, however, along with our colleagues from the DAV and VFW, that the VA needs to energetically market such a program to the employer community rather than passively regarding this program as simply another veterans benefit. In other words, a lot of employers simply don't know it and how to take advantage of it to assist veterans in their area, who will also assist their company in productivity. We would hope that Mr. Walters, the Veterans' Administrator, will provide the leadership from his office necessary to imaginatively and assertively implement such a program.

Mr. Chairman, I wish to thank you for the opportunity to present our views here this morning, and I would be glad to field any questions you might have, sir.

[The statement of Richard Weidman appears at p. 51.]

Mr. LEATH. Thank you, Rick, for your excellent testimony. It appears that you're singing the same song that we all are. I think it has been quite unique in hearings that every witness this morning has virtually touched on the same cords as to what we need to do and what we aren't doing and so forth.

Would you tend to agree—and I think you would, from the drift of your statement—that perhaps the VA should play a larger role than they are playing at this point, in both the identifying of jobs and the placement then of veterans in those jobs—to some degree; I'm not saying they should take over the whole function, but they certainly at least should play a larger role.

Mr. WEIDMAN. Yes, sir, we do think they should play a larger role. I think Mr. Drach from the DAV made an excellent point. When the average veteran on the street thinks where does he or she go in order to get help, many veterans, quite frankly, don't know about the Veterans Employment Service. Everybody knows about the Veterans' Administration and that is where they turn for help, No. 1. No. 2, the VA, of course, has the capacity and the experience to locate those veterans and to identify their needs. We are delighted that Mr. Walters has appointed Kenneth Klinge as special assistant with the specific charge to look into a concerted plan to implement the responsibilities under title 220.

Mr. LEATH. Obviously, I think this, by the very nature of the demographics, the Vietnam veterans are going to be by far the greatest recipients of any efforts that we can make here. So, Rick, I would certainly hope that you would use your considerable influence, that the Vietnam veterans would use their considerable influence with the many friends they do have in Congress, to make certain that the administration and the leadership of both Houses understands this problem and the fact that we think we can take what is a paultry amount of money compared to what is being talked about and accomplish a great deal of good here. So I would certainly hope that in the limited time we have to put something like this together, that you would certainly coordinate not only with the other veterans organizations but with the two primary agencies, the Department of Labor and the Veterans' Administration.

Mr. WEIDMAN. We will give it our best shot, sir.

Mr. LEATH. Ms. Kaptur?

Ms. KAPTUR. I just wanted to thank Rick for his excellent testimony. I was particularly interested in your comments about the Job Training Partnership Act and, just out of curiosity, I would assume that VVA is going to submit comments regarding the regulations that were issued on that program.

Am I correct on that assumption?

Mr. **Weidman**. Yes, ma'am, you are.

Ms. **Kaptur**. I met with my local chapter of the VVA when I was home over the weekend. Incidentally, I am a member of that chapter myself. This doesn't relate directly to job training but, rather, educational benefits. It seems that our local chapter is very concerned with the 10-year limitation on their ability to get GI educational benefits after their service.

I am curious as to whether you perceive that as a national problem as well. They were supportive of efforts in the Congress to extend the time limit on educational benefits. I know that isn't something that was mentioned in your testimony, but I am interested in whether you perceive that as a problem with Vietnam vets in general.

Mr. **Weidman**. Well, I think it certainly is. I would be glad to discuss that with you, particularly as a significant issue nationally, and also within the State of Ohio. As you know, one of the Members of Congress from Cincinnati has introduced a bill to extend the delimiting date and there has been a great deal of talk about it in the chapters and in the Ohio State Council of VVA.

Our view of it is that it does need to be linked into the whole issue of increasing employability, if you will, more directly into employment, if we are going to have a chance to get it through Congress, rather than just presenting it as another veterans benefit, linking it directly to how do we retool the American workforce. That is a linkage which we haven't successfully made, I don't think, to our satisfaction, and I am sure that it hasn't been made on the part of most Members of Congress.

In other words, what impact would extending the delimiting date have on the major retraining, retooling, if you will, of people to productively participate in the "new American economy." That is, people think of it just as a "benny" and not as a way to retrain people to get the economy moving again, to get us out of this deepest recession since the Second World War, which is compounded by the fact that we are in the middle of the largest economic shift since the 1920's and 1930's from the family farm to the cities. Once that linkage is established, I think the delimiting date should be extended and I think all the studies that have ever been done of the GI bill, particularly that following World War II, show that it was the most cost-efficient, cost-beneficial program ever enacted by the Federal Government. I believe it was something like $4.2 added to the gross national product for every dollar spent for educational benefits. But I don't think people draw that kind of connection at this point. And once that is established, I think some form of extension of the delimiting date to all veterans can be accomplished and not just for VA OJT.

Mr. Chairman, that was an overly loquacious answer.

Ms. **Kaptur**. Do I have time for one more question, Mr. Chairman?

Mr. **Leath**. Yes.

Ms. **Kaptur**. Going back to the Job Training Partnership Act, one of the problems of the veterans in our area is that there are certain institutional barriers that are perceived with the VA, for a variety of reasons, and maybe a lot of the people who really need to enter a job training program, for example, wouldn't normally go to the VA for assistance. That's why our local VVA chapter is so important, because it reaches people who, for whatever reason, don't feel comfortable going into our local VA facility.

I wanted to ask you, in terms of the comments you are going to be making on the Job Training Partnership Act, what would be the most effective thing that we could do at the local level to reach the veterans as we put together these new job training partnership committees? What sorts of recommendations will you be making in your suggestions on changing the regs that were issued?

Mr. **WEIDMAN**. One of the suggestions and one of the difficulties is that, as has been pointed out here this morning, there was no requirement on the part of the Governors to appoint a veterans' representative on the Governor's Council on JTPA. I think your suggestion about writing to the Governors is an excellent one.

I would point out that the Governors are coming to town this Sunday and will be right over at the Hyatt Regency. It would be a felicitous opportunity, when all 50 of them are there, for some kind of "buttonholing," if you will, to get the National Governors Conference to take the lead in that.

A lot of the difficulty that you're talking about, Madam Congresswoman, are really perceived barriers on the part of the individual veteran on the street, perceived barriers in the sense of not wanting to go to the Veterans' Administration. As I am sure you are aware, one of the reasons for the creation of the vet centers was to essentially be an aid station when it comes to psychological readjustment, to get the individual veteran into the system. There are many committed and highly professional people within the Veterans' Administration who not only are there to help, but are personally and professionally committed to help. It is a question of funneling people into that system.

The same is true of the Veterans Employment Service. Once you get people past the barrier and they know how to get there—It really comes back to a marketing question. As far as the situation in Toledo, I would be delighted to meet with you to talk about what kinds of things could be done there to get people knitted together in a working coalition of all the veteran service organizations, with all the Federal agencies, whether it be the Small Business Administration, the Veterans Employment Service, and/or VA on employment programs.

Ms. **KAPTUR**. Thank you.

Than you, Mr. Chairman.

Mr. **LEATH**. I would like to also recognize our new colleague from New Mexico, who was here earlier and had to leave, Mr. Richardson.

Mr. **RICHARDSON**. Thank you, Mr. Chairman. I apologize for being in and out.

I wanted to just make a statement, Mr. Weidman. I know this is a hearing on job training and economic development, but I want to make a statement regarding the Vietnam veterans that you represent.

There was an item that struck me this morning in the newspaper. I see where the Environmental Protection Agency is going to be paying the victims of that small community for toxin contamination. I find it ironic that the administration has made the decision to proceed in that manner, but yet, when it comes to the 36,000 Vietnam veterans that have toxin-kinds of afflictions, we leave that matter to study. I want to tell you, Mr. Weidman, that I think that is an outrage and plan, if possible, to do something about this. I commend you for your leadership on this matter.

What I would like to discuss is the issue of job training—and you have obviously made your statement and I may be repeating what was said before. But, in general, do you see the VA's efforts as enough? I mean, is the issue one of philosophy and lack of enforcement power in enacting what is supposed to be the law of the land, in giving employment assistance to veterans? Is it a matter of attitude? Is it a matter of a lack of resources within the VA, or is it just simply a lack of imagination within VA to create some new programs that would bring jobs to veterans?

Would you expound on that?

Mr. **Weidman**. I believe that some of the problem in the past, Mr. Richardson, has been as to who has authority for what, if you will, between the Veterans Employment Service and the Department of Labor, on the one hand, and VA on the other. I think that with the signing of a new interagency working agreement there is much more communication as to who should be doing what, and at what level.

The key thing, from our point of view, is on the part of both the Veterans' Administration and the Veterans Employment Service, over at the Department of Labor, is perceiving themselves as advocates, if you will, and to take an assertive, imaginative role when it comes to not only identification of job opportunities and openings, but also in terms of how to help the individual veteran develop his or her résumé and go out and market themselves.

When we are talking about unemployment, particularly among Vietnam era veterans, the key thing has always been what was found time and time and time again under all of the community-based organization that were operated under CETA back in the 1970s, that Vietnam era veterans were an anamoly as a CETA population. By that I mean, sir, they were not by and large educationally disadvantaged. They were people who at one time in their life held and discharged successfully enormous responsibilities. So we didn't really fit in the CETA mode, if you will.

What was really lacking was that many of us had bought the rap laid on us by the popular media and by the news media, that somehow we were all a mess, that we were liable to jump on top of a roof. The self-confidence that is necessary to successfully compete, either for jobs or in starting your own business, for instance, is the kind of thing that we are just now coming out of. With the dedication of the memorial, I think we have really passed a watershed, where we are really starting to say, "OK, no one is going to help us; therefore, we're going to help ourselves," to have that kind of take-charge attitude.

It is now because we are at a watershed within the Vietnam veterans community, I would hope that both the VA and the Veterans Employment Service would recognize that and respond to the changed conditions, to become more aggressive, assertive, and imaginative in development employment opportunities for Vietnam veterans. We certainly have experienced a watershed in working with the Small Business Administration and finally getting Public Law 93-237 implemented, or at least in the process of being implemented, and we would hope that a similar kind of take-charge, hard-charging attitude would become more and more evident on the employment issue with both the VA and VES.

Mr. **Richardson**. On page 2 of your statement you state at the bottom:

> We believe that the VA OJT program needs to be overhauled to afford to employers an incentive for their participation in the form of reimbursement for the legitimate cost of training.

Have you done an analysis of what the cost of something like this would be, if we enacted a program like this and targeted the Vietnam veterans, including as many Vietnam veterans as we possibly could to participate in this program?

Mr. **Weidman**. No, sir, we have not. But we would be delighted to work with Mr. Fleming and his staff to come up with those figures for you, sir.

Mr. **Richardson**. I think that would be helpful, because it seems to me that we talk about all these jobs programs—and I know there is some concern in this committee, like the chairman, to include veterans. He has been very vigorous in his leadership. But at the same time I think we need more education on this subject. Perhaps something like that would be very helpful.

I would perhaps like to conclude by asking you, are there any pieces of legislation that your group is going to submit to this committee for consideration in terms of the VA's fiscal year 1984 budget? If so, what would this legislation request?

Mr. **Weidman**. In regard to employment, sir?

Mr. **Richardson**. In regard to employment.

Mr. **Weidman**. I just wouldn't be prepared to comment on that at this time, Mr. Richardson. I can certainly get back to you within a week.

Let me just recap that, if I can, for you, Mr. Richardson. We are in the process now and have just established a National Employment and Small Business Development Committee, with a charge to come up with an overall comprehensive policy leading to what for us will be our first national convention next November. Some of that will include some legislation which we would like to see introduced this year, well prior to the convention, and we will certainly be in touch on that. My guess would be April, sir.

Mr. **Richardson**. I think that is good enough for the markups of this committee. I would hope you do have some ideas that we might pursue here.

Thank you, Mr. Chairman.

Mr. **Leath**. We are, of course, working on a bill which will, of course, be coordinated with Rick and all the other organizations.

Thank you very much, Rick, for your appearance. We appreciate your excellent comments and we look forward to working with you.

Mr. **Weidman**. Thank you.

Mr. **Leath**. I think we have had an excellent hearing this morning. I believe we have certainly proven that there is an opportunity out there for this committee to not only do something that will help alleviate the serious employment problem we have in the country, but it has probably pointed out to us that we can make some changes in existing programs, alter those programs. I think it has also pointed out to us that it is probably as much our fault perhaps as it is the VA and the Department of Labor in that we have possibly been somewhat remiss in giving the authority and the direction to the agencies that they should have. Although we all wish we didn't have to go through this time of serious unemployment in the Nation, perhaps it will require us to do a much better job.

I am also personally very enthusiastic about Harry Walters and Mr. Plowden. I think during my 4 years on this committee that perhaps for the first time we see the kind of enthusiasm from those two key people that it is going to take to make something work. I look forward to working with them as we go through this.

Without objection, I ask unanimous consent to include in the hearing record the statement of Mr. Jim Bourie of the American Legion. Mr. Bourie could not be here because of the Washington Conference of the American Legion that is being held this week. So, if there is no objection, we will include his statement in the record.

[The statement of James G. Bourie appears at p. 53.]

Mr. **Leath**. Unless anyone else has anything——

Mr. **Richardson**. Mr. Chairman, I do not.

Ms. **Kaptur**. No thank you, Mr. Chairman.

Mr. **Leath**. Thank you very much.

The committee stands adjourned.

[Whereupon, at 10:55 a.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF HARRY N. WALTERS, ADMINISTRATOR OF VETERANS AFFAIRS

Mr. Chairman and members of the subcommittee, it is with great pleasure that I appear before you today to provide you with my evaluation of the Veterans Administration on-job and apprenticeship training programs and our coordination with the Department of Labor with regard to these programs as well as other matters on which you requested our views.

Mr. Chairman, the high rate of unemployment within the Nation is of serious concern and I am pleased to hear that recent reports indicate that it is on the downward trend. Unfortunately, within these unemployed are many of our Nation's veterans, and I am committed to assisting these special individuals in their search for employment options and alternatives.

During my confirmation hearing, several questions were asked regarding my use of the authority provided under 38 U.S.C. § 220. As you know, this provides the Administrator broad authority to interrelate with other Agency programs primarily affecting veterans. In this regard, I have instructed my Special Assistant, Mr. Kenneth Klinge, to begin work under this authority to establish a task force with other agencies which will also insure input from concerned groups in an effort to address employment problems and solutions of our veteran population.

He has reported to me that a number of meetings have been held and that he is on the way to producing a plan for my approval.

I would now like to turn my attention to a review of our administration of on-the-job and apprenticeship training programs. These programs were not included at the time the current GI Bill program was enacted in 1966, but were added by Public Law 90-77, effective October 1, 1967.

On-the-job training programs were designed to provide training in those fields that offer worthwhile knowledge and skills ordinarily obtained through the educational process leading to an accepted training objective. They were not designed to have the attributes of a wage subsidy. These programs must be approved by the appropriate State approving agency and must meet a number of statutory requirements before an approval may be granted. The job for which the veteran is to be trained must customarily require full-time training for a period of not less than 6 months and not more than 2 years. There must also be a reasonable certainty that a job will be available to the veteran or to the eligible dependent at the end of the training period. The wages paid to the trainee at the start of the training must be at least 50 percent of the wages paid for the target job—the one for which the veteran or person is to be trained. In addition, the trainee's wages must be increased in regular periodic increments until, not later than the last full month of the training period, the wages will be at least 85 percent of the wages paid for the target job.

Apprenticeship training programs are those which generally last more than 2 years. They must be approved by the State approving agency and must, in addition, meet the standards of apprenticeship published by the Secretary of Labor pursuant to section 50a of title 29, United States Code. The employer must provide a signed copy of the eligible veteran's or eligible person's training agreement to each apprenticeship trainee. The training agreement must make reference to the training program and wage schedule as approved by the State approving agency. In the case of both on-the-job and apprenticeship training, a veteran or eligible person receives a monthly training allowance while participating in the program. This training allowance is lower than the assistance allowance payable for institutional attendance since the trainee is also being paid a wage by the employer. Each 6 months, as the veteran or dependent becomes more skilled in the job and earns more salary for the job, the training allowance is reduced. There is no employer reimbursement under either program.

We at the Veterans Administration have long recognized job training as an especially beneficial and effective means of readjustment. Under VA job training, the veteran achieves immediate employment which, in the great majority of cases, continues after training is completed. Furthermore, veterans obtain job skills which serve them now and in the future. The training allowance provided by the VA allows the veteran, who is generally older than other trainees and has one or more dependents, to subsist on a trainee wage.

Despite the effectiveness and the advantage of job training, participation in this part of VA's readjustment program has always been disappointingly low. For Fiscal Year 1982, there were some 38,500 trainees pursuing on-the-job and apprenticeship training. This compares with 55,211 trainees in Fiscal Year 1981. As a percentage of all types of training, on-the-job and apprenticeship trainees accounted for only about 5 percent of the total trainees in Fiscal Year 1982 and 5.8 percent in Fiscal Year 1981. Since the beginning of the current GI Bill program, approximately 7.9 million veterans and servicepersons have trained. Out of this number, 588,000, or 7.6 percent, have pursued on-the-job and apprenticeship programs.

There are a number of factors we believe account for this low participation figure. One of the most significant of these is important that society places on the college degree. Most people view the possession of a college degree as essential to their success in the economic arena. Another factor has been the disproportion that exists regarding the assistance rates for job trainees compared with school trainees. The monthly rate for a single veteran pursuing a full-time institutional course is set at $342 per month, while the on-job or apprentice trainee receives $249 for the first 6 months of his or her training with the rate being reduced in successive 6-month training periods downn to $62 per month in the fourth and any succeeding 6-month training period.

Another area on which I would like to touch briefly today is the recently enacted legislation which permits veterans, whose 10-year delimiting date has expired, but who are unemployed, underemployed, unskilled or educationally disadvantaged, the opportunity to obtain needed training. This authority, which was originally set to expire on December 31, 1983, was recently extended to December 31, 1984.

Under the law, veterans who meet eligibility criteria are permitted to pursue vocational objective or apprentice or on-job training or, where they do not have a high school diploma or an equivalency certificate, to pursue secondary training to aid them in obtaining either a diploma or a GED certification.

In the enactment of the additional year of eligibility, the Congress mandated that the Veterans Administration publish its initial regulations in the Federal Register no later than 30 days following the enactment of the law and to publish its final regulations no later than 90 days following enactment. I am pleased to advise you that we met both of these deadlines. In addition, we have recently published a Circular providing instructions to our regional offices on how to administer this program.

I believe the extension of eligibility authorized by the Congress will do much to invigorate our on-job and apprenticeship programs and aid veterans to obtain a reasonably stable employment situation.

Mr. Chairman, I would next like to review for you the steps we have taken to provide employment assistance programs for our disabled veterans.

As you are aware, Public Law 96-466 established the provision of employment services as an integral part of the services to be furnished under our vocational rehabilitation program. It also facilitated a more integrated approach in employment assistance by the outstationing of Disabled Veterans Outreach Staff at VA locations.

The development of policies and procedures to carry out the VA's new responsibilities under the law required extensive modification and redevelopment of prior policies and procedures. I am pleased to say that this has been substantially completed. The result is that the VA is now in a stronger position to work closely with the Department of Labor and other agencies in carrying out new initiatives in the area of employment and training, including the Job Training Partnership Act. I believe it would be helpful to outline for you some of the major steps we have taken. These steps include:

First, a new agreement between the Veterans Administration and the Department of Labor, which supersedes a prior Memorandum of Understanding negotiated in 1979. On review it was found that the 1979 Memorandum of Understanding did not adequately incorporate the requirement that the VA actively promote the effective implementation of law and regulation which provided special consideration for veterans. Following the appointment of DOL's Assistant Secretary for Veterans Employment (ASVE), representatives from the VA and DOL joined forces to negotiate and develop a comprehensive interagency agreement which was signed by the Administrator on June 18, 1982, and the Secretary of Labor on July 14, 1982. This agreement incorporates organizational, legislative and programmatic changes, and encompasses all the VA and DOL components except CETA (Comprehensive Employment and Training Act), and the successor job training and employment programs. Discussions will be held with DOL on including the provisions of the Job Training Partnership Act in the agreement.

The VA-DOL agreement includes other actions taken to implement two major initiatives: (1) the outstationing of Disabled Veterans Outreach Staff (DVOPs) at VA facilities, and (2) the resumption of VA participation in the Targeted Jobs Tax Credit program which has been extended through December 31, 1984.

Second, in October 1981, VA and DOL issued instructions to their respective staffs regarding the outstanding of DVOPs at VA and other locations. The instructions indicated that approximately a fourth of DVOP staff were to be outstationed at locations to be jointly determined by staff of both Agencies, and provided a breakdown of DVOP staff in each State and the number recommended for outstationing. DOL has informed us that as of January 31, 1983, 473 of 1,974 DVOPs, or 23.9 percent, were out-based at VA facilities. The provisions of Public Law 97-306, the Veterans' Compensation, Education and Employment Amendments of 1982, modified the provisions of Public Law 96-466 dealing with the stationing of approximately 25 percent of DVOPs at VA locations by allowing DOL greater flexibility in this area.

Third, the Targeted Jobs Tax Credit program was created by the Revenue Act of 1978 and was subsequently changed and extended by Public Law 97-34 and Public Law 97-248. Instructions to VA field staff regarding these extensions and changes in the program were issued in May 1982 and December 1982.

The purpose of the tax credit is to provide an incentive to employers to hire certain persons from targeted groups that have a particularly high unemployment rate. The targeted groups include economically disadvantaged Vietnam veterans and disabled veterans who are or were participants in the VA vocational rehabilitation program. The marketing of the Targeted Jobs Tax Credit is a joint VA-DOL effort. The VA has assisted DOL by making suggestions regarding media materials and marketing techniques. Additionally, VA staff plays a major role in promoting TJTC by explaining the advantages of the credit to veterans and prospective employers.

Fourth, policies and procedures to implement provisions for employment services for veterans pursuing vocational rehabilitation programs under chapter 31 were developed concurrently with the implementation of the provisions for enhancement of employment and training for both disabled and nondisabled veterans, since programs such as the Disabled Veterans Outreach Program impact directly on service-disabled veterans in vocational rehabilitation programs.

With respect to the employment services we are providing disabled veterans pursuing rehabilitation under chapter 31, I would like to point out that Public Law 96-446 extensively revised and modified our rehabilitation program. The major provisions include the following:

1. The basic period of eligibility is now set at 12 years, and entitlement to benefits under the rehabilitation program may not, in most instances, exceed 48 months duration.
2. Veterans for whom feasibility of vocational rehabilitation cannot be determined enter extended evaluation programs. The extended evaluation determines if the veteran may attain a level necessary to enter either vocational rehabilitation training or a program to achieve maximum independence in daily living.
3. Comprehensive rehabilitation planning includes not only the veteran's ability to function in employment, but also in the family and community. An individualized written rehabilitation plan is the vehicle for setting out the goals of the veteran's rehabilitation program and the steps needed to reach those goals.
4. Financial assistance includes payment of all tuition, fees, books, supplies, and a monthly subsistence allowance, as well as providing emergency loans. Eligible veterans may elect to receive the higher chapter 34 (GI Bill) educational assistance in lieu of the subsistence allowance and other training costs provided under chapter 31, while still receiving most chapter 31 (rehabilitation) services.
5. Placement, postplacement, and related services are provided as a part of the vocational rehabilitation program. Disabled veterans who are currently in training programs under chapter 31, former chapter 31 trainees, and certain service-disabled veterans who previously trained under the State-Federal program of vocational rehabilitation are eligible for the expanded employment services. Full utilization is made of community and governmental resources such as the State Employment Security Agencies, the Disabled Veterans Outreach Program, and other offices, to supplement the services provided directly by VA staff.

In December 1981 we issued comprehensive instructions concerning employment services under chapter 31. These clearly presented the VA's responsibility for assisting disabled veterans to obtain and maintain suitable employment and focused on the importance of comprehensive employment planning. The major means of assuring that comprehensive planning takes place is the requirement that an Individualized Employment Assistance Plan (IEAP) be developed in each case. The purpose of the IEAP is to identify the specific services and assistance which the veteran will need in order to obtain and maintain employment, and the resources which may be used to provide these services. Employment services can include payment for licensure examination, tools and supplies needed for employment, use of community resources, developing skill and confidence in job search and retention, necessary job placement assistance by VA staff, medical care, and other appropriate services which the veteran may need to obtain and maintain employment. Consistent with the law, an eligible veteran may receive employment services for up to 18 months, and extensions of up to 6 more months are permitted under certain conditions. During Fiscal Year 1982, approximately 4,000 IEAPs were developed with disabled veterans to assist them in obtaining suitable employment.

Guidelines for self-employment are discussed in detail, both as a possible goal for any veteran in the program, and in terms of special assistance provided in the law to assist veterans who are so severely disabled that they require homebound training, self-employment, or both. Special emphasis is placed upon thorough planning and analysis, including coordination with SBA, to help assure that the veteran receives the special consideration provided for in section 8 of the Small Business Act.

A total of 48,743 disabled veterans—an increase of approximately 4 percent over the prior year—were provided comprehensive evaluation services during Fiscal Year 1982. Of this number, 30,919 veterans were active participants in rehabilitation training or other rehabilitation services designed to restore employability. Approximately 78 percent of these disabled veterans received college training, 19 percent were in schools below college level, 2 percent in on-job training, and 1 percent in on-farm or independent instruction programs.

We at the Veterans Administration are also working with the Department of Labor and other agencies and organizations in many other areas in assisting veterans who are seeking employment.

The Veterans Services Divisions in our regional offices have established close working relationships with State Employment Service (SESA) offices in their respective jurisdictions. Both Veterans Service Divisions and Vocational Rehabilitation and Counseling Divisions utilize these liaison contacts to help veterans seeking employment assistance.

Joint sponsorship of job fairs, career planning days, career development seminars, and job readiness seminars have been a high point of VA and State Employment activity cooperation in various jurisdictions.

Veterans Services Divisions and Vocational Rehabilitation and Counseling Divisions remain the principal contact points for SESA personnel at the regional level. Upon recent completion of the new interagency agreement between the VA and the Department of Labor, these Divisions initiated the development of regional agreements involving cooperation on a number of fronts including employment referrals and assistance, the Targeted Jobs Tax Credit program, reemployment rights and apprenticeship, and on-the-job training program development.

At present, 32 of our regional offices have SESA personnel physicially assigned to work in direct conjunction with VA personnel. These assignments allow one-stop service to veterans seeking assistance with employment and other veteran benefit matters.

During Fiscal Year 1982, our Veterans Services Divisions referred 41,246 veterans to SESAs and other employment assistance activities. These referrals resulted in the employment of 4,795 veterans. Of this total, the VA was instrumental in arranging direct hires of 670 veterans; the SESAs obtained jobs for 3,637 veterans; and referrals to the Office of Personnel Management and other employment offices resulted in jobs for another 488 veterans.

We are sure that many others were successful in obtaining employment through these referral systems, but they are not captured in our statistics as we were not notified of the final action taken by the employer or employee.

The history of this VA-SESA interaction is a strong one involving joint work in our U.S. Veterans Assistance Centers as early as 1967. This was followed by the extensive outreach program to public and private employers to develop OJT programs. This particular program is still somwhat active although there are far fewer veterans eligible for the OJT program and fewer employers are curently willing to consider additional hires. From 1974, and continuing until the last several years, the VA, National Alliance of Buisnessmen, and the Department of Labor jointly conducted an outreach and employment assistance program for disabled and nondisabled veterans. More recently, our emphasis has involved joint activities of our VA regional offices with Disabled Veterans Outreach Program (DVOP) personnel assigned to the SESAs. DVOPs have frequently been assigned to work in regional offices and other VA facilities, and our field work has frequently had similar direction and goals.

The issue, of course, is not what has been done, but rather what is being done and will be done to improve a difficult employment situation for veterans. Our cooperative approach continues. Efforts to maintain and increase the assignment of SESA personnel to VA facilities is definitely being encouraged. The working agreements between our regional offices and SESA activities call for specific service roles. The effort to identify veterans needing employment assistant and to obtain that assistance through our own SESA contacts, our Career Development Centers, and our other referral systems continues to be an overriding priority.

Finally, Mr. Chairman, you have requested that I discuss the two legislative recommendations relating to education and training which are included in our Fiscal Year 1984 budget request.

First, we have proposed termination of the authority to make advance payments of educational assistance and subsistence allowances to eligible veterans and persons.

Under current law, those eligible veterans and eligible persons who apply for such payment and who meet certain eligibility criteria are granted advance payment of benefits. The amount of such advance is limited to the month (or fraction thereof) in which the training program begins, plus the amount payable for the succeeding month. If the advance pay applicant is on active duty, the amount of the advance payment will be in lump sum based upon the amount payable for the entire term, semester, or quarter, as applicable.

It has been our experience that advance payments of educational assistance and subsistence allowances have been a source of substantial overpayments. In many instances, eligible veterans and persons have received an advance payment of benefits and have subsequently failed to pursue, or discontinued pursuit of their training program, or have reduced the rate of pursuit, thereby causing an overpayment of all or part of their advance payment.

The Veterans Administration presently pays a reporting fee to each educational institution which elects to handle advance pay checks. Our recommendation would remove an administrative burden from educational institutions and would bring about certain savings to the Veterans Administration by removing the requirement that these reporting fees be paid to schools for the work they perform in handling these advance pay checks.

I urge that this proposal be given early favorable consideration by your Committee.

In our second proposal, we are again recommending that the authority to provide Veterans Administration assistance for the pursuit of correspondence training be terminated. As you are aware, the Veterans Administration has, over the past several years, advocated ending this program.

We continue to maintain the position, as demonstrated by ample evidence, that correspondence training has not achieved the objective of providing substantial employment for those trained, and that many individuals have used this program primarily for recreational or avocational purposes. The Congress, in recent years, has progressively decreased the reimbursement rate for this program. We believe that the ineffectiveness of this program, along with the potential for continued misuse, warrants its termination.

I urge the Congress to take the final step to terminate this program once and for all. Such action would bring about over $20 million in savings over the next 5 fiscal years. Mr. Chairman, this completes my presentation. I shall be pleased to respond to any questions you or the Members of the Subcommittee may have.

VETERANS ADMINISTRATION,
Washington, D.C., March 22, 1983.

Hon. MARVIN LEATH,
Chairman, Subcommittee on Education, Training and Employment, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to provide you with responses to the questions you submitted in your letter of February 23, 1983. I believe these responses will be of assistance to you in your evaluation of our training programs.

I am also pleased to enclose a copy of the VA pamphlet requested in your first question. This pamphlet was published by us to promote the Targeted Jobs Tax

Credit Act program (TJTC), and to emphasize the natural linkage between the tax credit and our OJT and apprenticeship training programs. It is our hope that this pamphlet has been of assistance in incuding employers to hire eligible veterans.

Sincerely,

HARRY N. WALTERS,
Administrator.

Enclosures.

COMMITTEE QUESTIONS SUBMITTED TO ADMINISTRATOR WALTERS

Question. 1. The Targeted Jobs Tax Credit is an employer incentive program that should be very helpful to veterans seeking employment. I understand that the VA has a pamphlet which explains this tax credit. Would you provide the Subcommittee with one of these pamphlets? Do you have any idea how many employers have been contacted by the VA staff regarding this program?

Answer. The Veterans Administration has actively participated in promoting the Targeted Jobs Tax Credit (TJTC) since the program was authorized by the Revenue Act of 1978 (Public Law 95-600). Although the Department of Labor and the Internal Revenue Service were mandated by the law to publicize the program, the VA has actualized its pledge of support principally through communications to our personnel and potentially eligible veterans and employers. A letter to all regional office field stations in early 1979 explained the TJTC and the VA's role in administering and publicizing the program. Our veterans services officers were provided information on the TJTC through our regularly scheduled telephone conference calls with special reports required on the number of vocationally rehabilitated veterans vouchered and certified under the program. A Memorandum of Understanding concerning the TJTC was entered into between the Department of Veterans Benefits and the Employment and Training Administration (ETA) of the Department of Labor and copies of ETA's TJTC Handbook were distributed to all VA regional offices.

To specifically promote the TJTC among employers and veteran-eligibles, the VA produced its own TJTC pamphlet stressing the natural linkage between this tax credit and the VA's OJT and apprenticeship training progams. In a special mailing conducted in March of 1981, these pamphlets were sent to appriximately 65,000 VA approved OJT and apprenticeship employers urging the hiring of eligible veterans and underscoring the tax advantages of participation in the TJTC program.

We do not have statistical information available to identify the numbers of employers that have contacted the VA or been contacted by the VA regarding the TJTC program.

Question. 2. How many employers are currently approved for VA On-Job Training and Apprenticeship training? How many of these employers are active? Is there available any breakdown of these employers by industry; that is, how many are in the computer field, etc.? Are the approved employers primarily small businesses or are they more often large Fortune 500 types of businesses?

Answer. As of the end of November 1982, we estimate that there are nearly 99,000 job training facilities approved for the payment of educational benefits. Of these, there are about 8,300 active; that is, having veterans and/or dependents enrolled. There is no breakdown by industry available, but a special computer run at Hines DPC could be developed to list program objectives or course for each of the OJT facility codes. There would be some delay in developing and running this project. Despite the lack of hard data on the characteristics of participating employers, we can deduce, from the fact that the ratio of trainees to facilities does not exceed 3 to 1, that the greatest number of employers/trainers are small businesses.

Question. 3. Section 1516 of Title 38, U.S. Code, provides that the Administrator may make payment to employers for providing on-job training to service-connected disabled veterans who have qualified for employment under the Veterans Administration's Vocational Rehabilitation Program. If you have utilized this authority, has this been a successful tool for encouraging employers to hire disabled veterans?

Answer. The provisions of 1516(b) which authorize the VA to make payments to employers in certain situations following rehabilitation to the point of employability, to either obtain on-job training or to begin employment, has not yet been utilized.

The provisions of 1516(b) are unusual in that they provide for payments to employers for veterans who have already received substantial training and have been determined to be qualified for employment. Our experience to date in expanding the general program of employment services for service-disabled veterans under chapter 31 is that the comprehensive training and counseling assistance provided, when coupled with a successful integration of the Targeted Jobs Tax Credit vouchering program, has obviated the need to provide direct payments to employers.

Targeted Jobs Tax Credit
VA Pamphlet 27-80-4
October 1980

Veterans Administration
Washington DC 20420

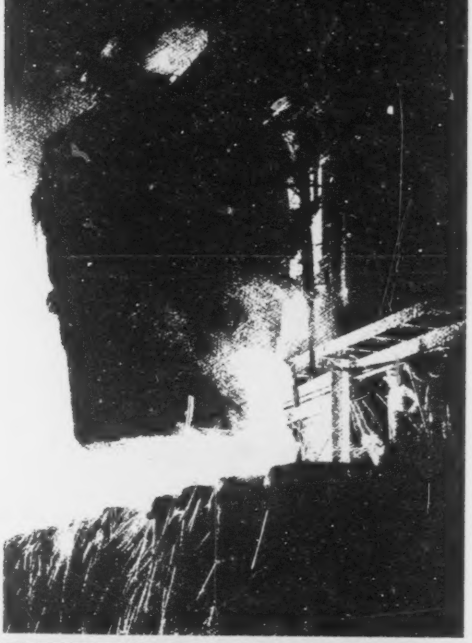
Official Business
Penalty for private use
$300

Postage and
Fees paid
Veterans
Administration
VA 601

U.S. MAIL

Veterans
Administration

Targeted Jobs Tax Credit



VA Pamphlet
27-80-4
October 1980

Department of Veterans Benefits

Hiring veterans has always been good business - good business not only for the individual employer but also good business for the United States. Now employers can add savings of tax dollars to the list of benefits realized when veterans are hired.

The Targeted Jobs Tax Credit

The Revenue Act of 1978 (Public Law 95-600) established the Targeted Jobs Tax Credit. All private employers in a trade or business can take advantage of this tax credit. Under this law, those who hire individuals from certain targeted groups are eligible to receive a major tax break. Veterans referred from vocational rehabilitation programs of either the VA or a State and Vietnam era veterans under age 35 who are economically disadvantaged are two of these targeted groups. Employment of these veterans can result in a tax credit for the employer of 50 percent of the first $6,000 in wages paid during the first year of employment (maximum credit of $3,000 per employee) and 25 percent of the first $6,000 in wages paid during the second year of employment (maximum credit of $1,500 per employee). Keep in mind that this is an actual credit against the employer's taxes due and not merely a tax deductible expense.

The Tax Credit and Veterans Administration OJT and Apprenticeship Programs

If you already have an approved VA OJT (on-the-job training) or apprenticeship program, this tax credit can be a natural complement to it. If you don't, it could be an inducement to start such a program. OJT programs for which an employer already receives Federal Government payments do not qualify for the tax credit. VA OJT programs, however, only pay the veteran, thereby allowing the employer to claim the tax credit when an eligible veteran is hired in one of the VA OJT/apprenticeship positions.

Where To Get More Information

For further details about the tax credit, contact your local Job Service or Internal Revenue Service office. IRS Publication 906, "Targeted Jobs Tax Credit and WIN Credit," explains tax aspects of the employment tax credits. You can specify that you want workers eligible for the Targeted Jobs Tax Credit when you place job orders with the Job Service. For information about qualified veterans in the VA vocational rehabilitation program, call your VA regional office and ask for the Vocational Rehabilitation and Counseling Officer.

In Closing . . .

The Targeted Jobs Tax Credit underscores the Federal Government's contention that hiring veterans pays; in this case, tangible payment in the form of lower taxes.

Stretch your dollars by extending a job opportunity to these qualified workers.

Say yes to those who have already said yes.

Veterans' Employment - Good business all the way around.

Distribution: Per VA Form 3-7225 and 3-7225a
FD (includes EX: VSO and AR, 1 each)

Question. 4. On page 14 of your statement, you state that State Employment Security Agencies (SESA) personnel are assigned to work in 32 regional offices. Are a majority of these personnel disabled veterans outreach specialists, or are some in addition to these specialists?

Answer. The overwhelming majority of SESA (State Employment Security Agency) personnel assigned in regional offices are DVOP (Disabled Veterans Outreach Program) personnel. This is a fluid situation with new assignments taking place rapidly on the basis of local agreements between the regional offices and SESAs. We have just gathered additional data which reflects that 40 regional offices now have SESA personnel assigned on a full or part-time basis.

In 23 of our regional offices, SESA personnel are assigned to work in our Veterans Services Divisions. These assignments involve 38 SESA employees (32 DVOPs and 6 Local Veterans Employment Representatives). In 30 of our regional offices, another 40 DVOP employees are assigned to work with Vocational Rehabilitation and Counseling Divisions and their Career Development Centers. Additional DVOP personnel are assigned to VA Medical Centers and Vet Centers under the jurisdiction of our Department of Medicine and Surgery.

Question 5. I believe you answered in the affirmative that you would personally support legislation that would provide an enhanced on-job training and apprenticeship program for those veterans who have been unemployed for an extended time. If approved by Congress, would you recommend that the President sign it into law?

Answer. As I testified in my recent appearance before your Subcommittee, I am committed to assisting our unemployed veterans in their search for employment options and alternatives. Should the Congress enact legislation providing job assistance for veterans I would, of course, have to study any such proposal to see what it provides before I would be in a position to recommend its favorable consideration by the President.

Question 6. The Carter Administration established a number of career development centers in VA facilities. What is their current status? If still existence, is any job placement done at these centers?

Answer. There are 34 Career Developments Centers currently in operation in VA regional offices. These Centers provide both disabled and other veterans with career and job information, training in job finding skills, understanding of career development, the place of training in such development, and assistance in locating and obtaining a suitable job. Approximately 2,500 veterans a month are provided assistance at the Career Development Centers.

A study of the services provided at Career Development Centers has established that employment services are a major component of the assistance requested by veterans and provided by VA Center staff. Helping veterans develop a job campaign strategy and making employment referrals are two of the most important services furnished. While employment referrals generally consist of coordination with State employment services and other agencies, direct placement services are also provided. Specific data as to frequency of direct placement services through the Career Development Centers is not available.

Question 7. It would be appreciated if you would keep the Subcommittee advised of the enrollment under the Targeted Extension of the On-Job Training Program under Public Law 97-72. The Subcommittee would appreciate being kept advised of the enrollment under this program on at least a quarterly basis.

Answer. Attached is a copy of the data for January 1983 on enrollment under the Targeted Extension of the On-Job Training Program under Public Law 97-72. We will forward copies of this report to you on a quarterly basis in the future.

JANUARY 1983

RCS 22-28

LINE NO.	STATION NAME		STA-TION NO.	No. of Applications for Delimiting date Extensions Received During Current Month	Applications for Delimiting Date Extensions Approved During Current Month			Applications for Delimiting Date Extensions Denied During Current Month					Applications Reviewed Under Current Criteri	
					Type of Training Approved		Average Processing Time for Applications Approved During Current Month	Reason for Denial				Avg. Proc. Time for Applications Denied During Current Mo.	Approved	Denial
					High School	Vocational Apprenticeship, On-The-Job		Already has H.S. Diploma or Equivalency	Current Employment Consistent with Attitudes & Abilities	Claimant Requested Program Which Leads to Associate Degree	Other			
				A	B	C	D	E	F	G	H	I	J	K
1	GRAND TOTAL			949	21	193		6	4	36	108		351	245
6	EASTERN REGION - TOTAL (Lines 7 through 29)			287	11	50		—	1	6	22		125	11
7	CT	HARTFORD	308	2	—	1	46	—	—	—	1	62	—	—
8	DC	WRO	372	8	—	—	—	—	—	—	—	—	—	2
9	DE	WILMINGTON	460	3	—	1	153	—	—	—	4	74	1	—
10	FL	ST. PETERSBURG	317	23	—	4	169	—	—	—	3	131	—	—
11	GA	ATLANTA	316	25	1	12	25	—	—	—	2	61	22	23
12	MA	BOSTON	301	NEG										
13	MD	BALTIMORE	313	44	—	1	23	—	—	—	—	—	1	—
14	ME	TOGUS	402	20	3	1	16	—	—	—	—	—	—	33
15	NC	WINSTON-SALEM	318	17	—	—	—	—	—	—	—	—	—	—
16	NH	MANCHESTER	373	NEG										
17	NJ	NEWARK	309	13	—	1	7	—	—	—	1	5	9	2
18	NY	BUFFALO	307	4	—	1	105	—	—	—	1	66	—	—
19		NEW YORK	306	28	3	2	27	—	—	—	2	81	15	6
20	PA	PHILADELPHIA	310	15	1	1	1	—	—	—	1	10	40	—
21		PITTSBURGH	311	23	1	5	127.2	—	—	2	3	41	2	12
22	PR	SAN JUAN	355	NEG										
23	RI	PROVIDENCE	304	19	—	4	24	—	—	—	—	—	—	—
24	SC	COLUMBIA	319	22	2	14	17.5	—	1	2	2	42	26	—
25	VA	ROANOKE	314	7	—	1	10	—	—	—	—	—	—	3
26	VT	WHITE RIVER JCT.	405	2	—	1	44	—	—	—	1	29	—	—
27	WV	HUNTINGTON	315	12	—	—	—	—	—	2	1	14	6	31
28														
29														
30	CENTRAL REGION - TOTAL (Lines 31 through 52)			528	9	103		5	2	22	68		198	117
31	AL	MONTGOMERY	322	10	—	5	30	—	1	2	—	43	—	33
32	AR	LITTLE ROCK	350	2	1	1	17	—	1	1	1	93	13	2
33	IA	DES MOINES	333	NEG										
34	IL	CHICAGO	328	10	1	—	44	1	—	—	3	77	—	—
35	IN	INDIANAPOLIS	326	2	—	2	49	4	—	—	2	129	—	—
36	KS	WICHITA	452	1	—	1	14	—	—	—	1	16	6	—
37	KY	LOUISVILLE	327	33	—	4	72	—	—	—	—	23	—	—
38	LA	NEW ORLEANS	321	84	2	4	4	—	—	18	5	4.5	1	4
39	MI	DETROIT	329	104	[illegible]	3	23.9	—	—	3	16	27.4	91	22
40	MN	ST. PAUL	335	41	—	17	12.2	—	—	—	10	23	47	18
41	MO	ST. LOUIS RO	331	1	2	3	10.4	—	—	1	—	21	6	17
42		ST. LOUIS RPC	376											
43	MS	JACKSON	423	NEG										
44	ND	FARGO	437	13	—	—	—	—	—	—	—	—	—	—
45	NE	LINCOLN	334	NEG										
46	OH	CLEVELAND	325	10	—	11	65.7	—	—	—	33	61.7	4	—
47	OK	MUSKOGEE	351	29	—	—	—	—	—	—	2	29	15	10
48	SD	SIOUX FALLS	438	3	—	4	14	—	—	—	—	—	—	—
49	TN	NASHVILLE	320	NEG										
50	WI	MILWAUKEE	330	34	1	19	10.9	—	—	4	1	11.8	15	10
51														
52														
53	WESTERN REGION - TOTAL (Lines 54 through 73)			134	1	40		1	1	8	18		28	11
54	AK	ANCHORAGE	463	1	—	—	—	—	—	—	—	—	3	—
55	AZ	PHOENIX	345	30	—	5	64	—	—	3	5	50	—	—
56	CA	LOS ANGELES	344	2	—	—	—	—	—	—	—	—	—	—
57		SAN DIEGO	377	1	—	1	40	—	—	—	6	104.8	—	—
58		SAN FRANCISCO	343	11	—	1	20	—	—	—	—	—	7	3
59	CO	DENVER	339	25	—	1	138	1	—	—	3	80	—	—
60	HI	HONOLULU	459	NEG										
61	ID	BOISE	347	—	—	—	—	—	—	—	—	—	2	5
62	MT	FT. HARRISON	436	11	—	1	20	—	—	—	—	—	7	3
63	NM	ALBUQUERQUE	340	12	1	6	53	—	1	1	3	33	—	—
64	NV	RENO	354	1	—	—	—	—	—	—	—	—	1	—
65	OR	PORTLAND	348	NEG										
66	PI	MANILA	358											
67	TX	HOUSTON	362	5	—	—	—	—	—	—	—	—	—	—
68		WACO	349	—	—	—	—	—	—	—	—	—	8	—
69	UT	SALT LAKE CITY	341	5	—	3	25	—	—	—	1	62	—	—
70	WA	SEATTLE	346	26	—	21	4	—	—	4	—	5	—	—
71	WY	CHEYENNE	442	2	—	—	—	—	—	—	—	—	—	—
72														
73														

REMARKS

BEST COPY AVAILABLE

Question 8. On page 4 of your statement, you state that after a veteran has completed on-job training, employment generally continues after training is completed. Do you have data to support this statement? What actual percentage of trainees continue as employees.

Answer. A 1978 General Accounting Office survey found that 89 percent of veterans who completed apprentice training and 86 percent of those completing other on-the-job training were placed in jobs related to their training.

STATEMENT OF WILLIAM C. PLOWDEN, JR., ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you to discuss coordination between the Department of Labor and the Veterans Administration with respect to the VA on-the-job training and apprenticeship programs and how these programs might be made more effective.

I am happy to report that we are working very closely with the Veterans Administration. Our staffs meet at least monthly and more frequently when required. I have met several times with Administrator Walters to discuss mutual concerns. I am especially pleased with the high priority that he has given to the employment problems facing veterans. We recognize that while our areas of responsibilities are different, our objective to ensure the successful readjustment of veterans into civilian life, is the same and indeed a mutual concern.

Additionally, the Secretary of Labor and Administrator of Veterans Affairs signed an interagency agreement this past summer for the purpose of ensuring the maximum coordination of veterans programs and activities at all levels of operation. Of primary importance, the agreement requires development of State and local agreements. These agreements have been reviewed by our respective staffs. We are meeting this week with the VA to jointly review our findings and develop recommendations.

One of the areas which the State and local agreements address is that our outreach to approved employers under the VA's on-the-job training program. Agreements are to describe the specific steps to be taken in outreach activities to approved VA/OJT employers, making maximum use of the VA list of such employers (RCS 212-3). Steps are to include procedures for the distribution of the list, contact procedures and coordination with VA regional office and State Approving Agencies. Additionally, each State employment service agency is to establish cooperative working relationships with the VA office serving the State to insure that Disabled Veterans' Outreach Program staff and Local Veterans Employment Representatives maximize the use of VA training programs.

In this regard we are planning, under the Veterans' employment section of the Job Training Partnership Act (JTPA), to promote the development of jobs and training opportunities by providing reimbursement to the employer for a portion of the costs required to train a veteran. We think an employer may be better able to hire and train a veteran if we offer the employer some assistance with training costs. As you know, under JPTA, block grants will be provided to States for training assistance for disadvantaged persons and others who face serious job barriers, including eligible veterans. JPTA also authorizes financial assistance to employers for training costs. Of course, regardless of the program design, it will require a strong marketing and job development effort to provide veterans with a keen competitive edge in the job market. Accordingly, we are pursuing this approach in our JTPA Veterans' Employment Program. This effort will be coordinated very closely with the Veterans Administration and all other available resources. We will be requiring veteran program grantees and contractors to develop innovative methods to locate eligible veterans and potential employers, and to perform necessary matching services that will hopefully lead to increased utilization of the VA apprenticeship and on-the-job training programs.

In closing, Mr. Chairman, I feel confident that through a marshalling of our resources and programs, including the VA/OJT and apprenticeship programs, the Disabled Veterans' Outreach Program, Local Veterans Employment Representatives, and others, and through a truly coordinated approach, the Department of Labor and the Veterans Administration can become partners in developing jobs and training opportunities for veterans.

Thank you again for this opportunity. I will be pleased to respond to any questions.

U.S. Department of Labor,
Washington, D.C., March 15, 1983.

Hon. Marvin Leath,
Chairman, Subcommittee on Education, Training and Employment, Committee on Veterans' Affairs, Washington, D.C.

Dear. Mr. Chairman: We have enclosed our responses to the questions you submitted in your letter of February 23, 1983. I appreciated the opportunity to appear before the Committee to share our views on how to improve employment and training programs for veterans.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

William C. Plowden, Jr.,
Assistant Secretary for Veterans' Employment.

Enclosure.

Committee Questions Submitted to Hon. William C. Plowden, Assistant Secretary for Veterans Employment, Department of Labor

Question 1. The Subcommittee has been told that although the Targeted Job Tax Credit Program is a very effective employer incentive, many employers and veterans are unaware of its existence. What means has the Department of Labor used to market this program?

Answer. The Department has published several information brochures and conducted a mass mailing to employers and organizations. The major marketing efforts have been conducted by the States through the Job Service offices.

Question 2. Would you give us an update of the veterans' programs under the Job Training Partnership Act? What strategy have you developed for implementing this program? Last fall, we understood that the veteran portion of that Act would be approximately $13 million. Most recently we have been toid to expect approximately $9.4 million. What accounts for the drop in expected funds?

Answer. Draft implementing regulations for Veterans' Employment Programs under Title IV, Part C, of the JTPA are currently in Departmental clearance. We anticipate having the final regulations published in May. The funding level for Title IV, Part C, is determined for formula in the law itself and is based on a percentage of funds available for the Title II A and other Title IV programs (except Job Corps funding). Our original estimates were based on projected funding levels which did not occur.

In order to maximize the impact of funds available and to develop efficient and cost effective veterans employment and training programs, we plan to make 80 percent of the funds available to the various States, Private Industry Councils and other designated administrative entities. The remaining funds available (up to 20 percent) will be set aside for the ASVE to conduct research and demonstration projects, provide training and technical assistance, and to fund other veterans employment and training projects, as deemed appropriate. We anticipate that by placing the majority of our funds at the State and local levels, that communities will become more cognizant of veterans' needs and provide needed services beyond what our program can fund.

We will make available to the Committee a copy of the proposed draft regulations as soon as possible.

Question 3. In his testimony, Mr. Walters stated that 23.9 percent of Disabled Veterans Outreach Program (DVOP) Specialists were outstationed at VA facilities. Where else are DVOPs outstationed? Are they only at VA facilities?

Answer. As of February 23, 1983, there were 23.9 percent of total DVOP staff outstationed at other than Job Service offices. While the majority of outstationed staff are at VA facilities, there are some DVOPs located with Community Based Organizations, military bases, CETA prime sponsors and veteran organizations.

Question 4. One of the criticisms of past job training programs was that veterans were being trained for dead-end jobs, or for jobs that were unavailable in their communities. What should be done to avoid this in the future?

Answer. Many job training programs have been designed with little, if any, imput from the private sector. Under the JTPA, the private sector, through involvement on the Private Industry Councils and State Job Training Coordinating Councils, will have a great deal to say about job taining programs developed at the State and local levels. With this involvement we will be able to better identify jobs and occupations in demand.

Question 5. How many field positions, such as State Directors, Regional Directors and secretaries, are vacant? When will these positions be filled?

Answer. There are currently vacant 3 Regional Directors, 2 State Directors, and 4 Assistant State Director positions. We do not anticipate any unusual delays in filling these vacancies.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT OF THE HOUSE VETERANS AFFAIRS COMMITTEE FEBRUARY 23, 1983

Mr. Chairman and members of the subcommittee, On behalf of the more than 740,000 members of the Disabled American Veterans, I want to take this opportunity to thank you for allowing us the opportunity to appear before you today and comment on the Veterans Administration programs of O.J.T. training and apprenticeship training.

Also, Mr. Chairman, on behalf of our membership I would like to congratulate you on assuming the Chair of this very important Subcommittee. We look forward to a long and productive relationship with you, as well as the other members of the Committee.

We also want to thank you, Mr. Chairman, for your introduction of H.R. 830 and H.R. 831, both of which have the full support of the Disabled American Veterans.

Mr. Chairman, you are also to be commended for conducting hearings on programs that perhaps have been too long forgotten. With the changing economy and the need to retrain scores of thousands of unemployed workers because of new technology we must take a long hard look at programs designed to provide meaningful employment opportunities to veterans, especially those who have been disabled in the honorable service of this country.

I would like to urge this Subcommittee to bear in mind that any legislative recommendations should stress the significant problems of disabled veterans with extra emphasis on that category to receive priority services. We believe this is more than justified as it is our ongoing strong belief that no one is more deserving of federal government assistance than those who were disabled in the defense of their country.

I would also like to point out that in a recent study titled, Disabled Veterans: Job Needs and Programs, published by the Human Resources Research Organization (HumRRO) conducted for the Department of Labor, on page 3 it is reported "The more severely disabled veterans have a higher unemployment rate, tend to spend longer looking for work, and are more likely to be jobless and to give up the attempt to find a job."

Mr. Chairman, earlier I mentioned that we believe the VA's O.J.T. program has suffered from benign neglect. In support of that statement I refer to the 1981 Annual Report of the Veterans Administration submitted to the 97th Congress. In reviewing this report we note that very little information is provided regarding the O.J.T. and apprenticeship programs. We do find that "Through September 1981, the total number of veterans trained under the current GI Bill exceeded 7.8 million, of whom 73 percent have been Vietnam Era veterans. More than half have trained at the college level (excluding correspondence). The remainder pursued vocational and technical training, correspondence training, flight training, cooperative training and on-the-job training." (page 63) Regrettably, Mr. Chairman and members of this Committee, this tells us very little about the success or lack of success of the VA's On-The-Job Training Program.

I would like to point out that the General Accounting Office submitted a report to the United States Senate Committee on Veterans Affairs in July of 1975 on this subject. While the report was a relatively small one, it is significant in many areas. The following represents some of the highlights of that report:

As of November 30, 1974, about 26,500 approved employers were providing on-job training to about 58,200 veterans.

Overall, about 58 percent of the approved employers did not have any veterans in training.

As of September 1974, 65 percent of approved employers within the eight [study] areas were inactive.

Many approved employers needed trainees (underlineation provided).

Of the 271 employers interviewed, 38 said they had a veteran in the VA On-Job Training Program. The remaining 233 said their program was inactive.

Some employers—74 of 271, or about 27 percent—said they never had a veteran participate in their program.

Of the 38 employers who had a veteran in training, 11 (29 percent) said they had an immediate need for an additional trainee and would have accepted one or more qualified veterans if referred.

Of the 233 inactive employers interviewed, 54 (23 percent) said they did have an immediate need for trainees and would have accepted one or more qualified veterans if referred to them.

In summary, we contacted 271 employers who had approved On-Job Training Programs for veterans. Sixty-five, or almost one out of every four employers contacted, told us they had a need for on-job trainees and would have accepted one or more qualified veterans if one had been referred.

A large number of employers have expressed their interest in providing employment assistance for veterans by establishing On-Job Training Programs; and many veterans have been placed in these programs. However, it appears that many more qualified veterans could have been placed in approved programs.

We recommend that the Administrator of Veterans Affairs require that each VA Regional Office periodically notify the appropriate Veterans' Employment Service Representative of all employers in the area who currently have approved On-Job-Training Programs for Veterans.

We recommend that the Secretary of Labor require the Veterans' Employment Service to contact and periodically recontact approved employers to determine their need for on-job trainees and that all possible efforts be made to place veterans in these programs.

Mr. Chairman, while this GAO report and attendant recommendations are almost eight years old, we believe very little has been accomplished to address the recommendations or provide the needed veteran referrals to the approved employers.

Mr. Chairman, we indicated earlier that we felt the VA has not given proper emphasis to this program. Further indication of this belief is the statistical summary of Va activities published monthly by the Office of Public and Consumer Affairs at the VA. In this monthly report they do indicate the number of veterans taking advantage of "educational assistance" but do not break it down by type of training, i.e., college, correspondence, technical, on-the-job training or apprenticeship. This would certainly appear to be in direct conflict with the intent of the 1975 recommendations. We believe that if any future efforts to enhance On-The-Job Training and Apprenticeship Programs are to be undertaken, then at a minimum, the recommendations made in 1975 must now be initiated.

We recommend the following efforts be made immediately:

1. The VA identify all employers who have had an approved OJT or Apprenticeship Program since 1967.
2. Identify those who are still in an approved status.
3. Contact those whose approval has expired and urge renewal of an approved program.
4. Survey both groups to determine needs and desires to again participate.
5. Notify all VA Regional Offices, hospitals, vocational rehabilitation offices, career development centers of the survey findings on a geographical break down.
6. Concurrently have the Assistant Secretary of Labor for Veterans Employment provide the same information to his field staff.
7. Have the VA provide an updated list of disabled veterans receiving compensation to Disabled Veterans Outreach Program (DVOP) personnel.
8. DVOP personnel should contact these veterans in an attempt to match up potential OJT employers with disabled veterans.

The Congress needs to immediately review the eligibility criteria of Chapters 31 and 34 of Title 38, U.S. Code with a view toward amendatory language to provide some form of assistance to those disabled and Vietnam Era veterans who no longer have eligibility. We believe it must be emphasized, Mr. Chairman, that from January 1982 to December 31, 1982 more than 151,000, or an average of 12,500 per month, Vietnam Era veterans joined the official ranks of the unemployed. This, of course, does not take into account the discouraged worker who has given up the search for employment.

Mr. Chairman, the nation has grappled with the "readjustment" from military to civilian life for the Vietnam Era veterans for more than a decade. The DAV strongly believes that if the recommendations and studies undertaken in the late 60's and early 70's had been adequately and aggressively pursued, we would not be continually talking about solutions to these problems.

The DAV recommends that we proceed very cautiously but effectively. It is time that we address the long-term problems of structural unemployment facing this nation's veterans and discontinue reactive measures that only postpone permanent solutions.

We believe that based on the Harris Survey of 1980 that the employer community should be responsive to these concerns. In that Survey it is revealed "Most employers (76 percent) still agree that a special effort to hire VEVs should be made. . . ."

Mr. Chairman, let's ask them to make this special effort and hire these unemployed veterans, especially disabled veterans, either through On-The-Job Training or Apprenticeship Programs that lead to permanemt career ladder employment.

Mr. Chairman, we believe that our recommendations need to be implemented as soon as possible in order to attain long-term solutions. I would like now to turn to the immediate problem of putting these individuals to work at meaningful employment as soon as possible.

According to the Thursday, February 17, 1983 edition of the Washington Post, "President Reagan embraced a $7.2 billion jobs and benefits' package last night, putting his stamp on a bipartisan compromise that he had resisted and predicting that Congress would approve it. . . ." The DAV, like many others, philosophically oppose "make-work" situations. This proposal, however, appears to avoid that type of situation and relies more on ". . . accelerating spending for previously approved federal construction and repair jobs. . . ."

Mr. Chairman, we believe disabled and Vietnam era veterans should receive preference in these jobs. Some of the construction work to be accomplished is on VA hospitals and we believe that veterans should build veteran's hospitals. We have long advocated that veterans' employment problems should be a national responsibility. In Public Law 97-306 the Veterans Compensation, Education, and Employment Amendments of 1982, in discussing the employment problems among disabled and Vietnam era veterans Congress stated, ". . . alleviating unemployment and underemployment among such veterans is a national responsibility."

Mr. Chairman, many of these jobs, because of the physical nature, will automatically preclude certain disabled veterans. We believe that any effort on behalf of disabled veterans should be targeted to the so-called growth industries. Veterans, especially disabled veterans, could become qualified to perform those functions through a combination of on-the-job training and concurrent academic training.

According to a Department of Labor's Bureau of Labor Statistics report, data processing machine mechanics will realize a 157 percent growth in employment. Efforts should be made to train veterans by the companies who provide the type of training needed to repair these machines. Five of the top twelve occupations are in the information or information related fields, including computer service technicians, systems analyst, business machine repairmen and computer programmers and operators. These careers can be accessed through on-the-job training.

We must be cautious not to provide training for jobs that are obsolete and do not addre[illegible] areas of technology. Emphasis should also be placed on "generic training" [illegible] against highs and lows in certain industries.

M[illegible], last week I called and talked with a Public Affairs Director for a la[illegible] So[illegible]rn Corporation and asked, "What will it take to get your corporati[illegible] to [illegible]rans, especially disabled veterans?" After a short pause the response [illegible]uasion of top management to intervene in the hiring process to assure [illegible]ired."

Mr. [illegible]e believe that any new initiatives on behalf of veterans should keep [illegible]nc.

This concludes my statement and I will be happy to answer any questions.

STATEMENT OF JAMES N. MAGILL, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and members of the subcommittee, thank you for the opportunity to present the views of the Veterans of Foreign Wars of the United States with respect to the Veterans Administration programs of on-the-job training and apprenticeship training; along with a review of other programs designed to reduce veteran unemployment and underemployment. The VFW is appreciative of this Subcommittee for holding this hearing and demonstrating its continuing concern with reducing veteran unemployment and affording the veteran every opportunity to improve his vocational position.

The VA's on-the-job and apprenticeship training programs provide for the payment of training assistance allowance to veterans enrolled in programs approved by a State Approving Agency in the case of OJT and standards published by the Secretary of Labor in the case of apprenticeships. These programs, in our opinion, continue to be viable skills—training options available to veterans. Unlike many other employment programs, they provide training in a chosen field; but additionally, virtually ensure a job at the conclusion of the program. To put it succinctly, these programs are not stop-gap measures. In addition, the "no experience, no job—no job, no experience" situation affecting many veterans is eliminated.

Over the years, the OJT program has had a steady decline in participation, which we attribute to a lack of publicity on the part of the VA. This is disturbing inasmuch as this program not only had the highest completion rate of all GI bill trainees, but those trainees were more likely to use the skills for which they were trained. We believe OJT participation would increase if the VA would take a more agressive role in publicizing this important and beneficial program.

Unfortunately the apprenticeships program, which requires much more time for completion, but usually results in better paying jobs, also has shown a decline in participation. We attribute this decline, however, mostly to the state of the nation's economy. In order to see more employees offering apprenticeships; construction, manufacturing and high-tech businesses must witness an up-turn.

Mr. Chairman, we view Public Law 97-306, the "Veterans' Compensation, Education and Employment Amendments of 1982" as a major step in the right direction to help reduce the high unemployment rate for veterans. Numerous VFW employment resolutions, adopted at our most recent National Convention, have been realized through this law. The transfer of the Office of Veterans' Reemployment Rights (OVRR) to the responsibility of the Assistant Secretary of Labor for Veterans Employment (ASVE) was a righteous decision since the ASVE is charged with the responsibility to provide maximum assistance to veterans in programs administered by the Department of Labor. The OVRR has had an enviable record while under the Labor Management Services Administration and we believe it will be a welcome addition to the Office of the ASVE. This action fulfilled our current Resolution No. 685 entitled "Reemployment Rights". What we would like to see accomplished now is for veterans programs of the Office of Federal Contract Compliance Programs which supposedly enforces the affirmative action for disabled and Vietnam Era veterans, also transferred to the Office of ASVE. This action would satisfy our Resolution No. 684—"Federal Contract Monitoring"—and go much further than the proposed memorandum of understanding which we frankly believe is nothing more than an exercise in paperwork.

At this time the only new jobs program to specifically include veterans is the Job Training Partnership Act, Public Law 97-300. Inasmuch as this act is in the transitional stage it is somewhat premature to comment on its effect. It is certainly destined to be more beneficial for veterans than the Comprehensive Employment and Training Act (CETA) which did more for those who ran the program than its targeted clients. Much of the success of the Job Training Partnership Act for veterans, however, depends upon the joint cooperation at the State or local level between State officials, including State Directors for Veteran Employment, and those groups or individuals who are genuinely concerned over the plight of the unemployment and underemployed veteran.

In past testimony before this Subcommittee, the VFW expressed its concern over the number of vacancies in the Veteran Employment Service (VES) and the Administration's foot-dragging in filling these positions. We also requested the new ASVE to make those appointments a priority. We certainly commend Mr. Plowden in heeding our recommendations by filling a number of these vacancies. We trust he will continue this course and fill all remaining positions, especially State and Regional Director positions.

Appended to my statement are the titles of the Resolutions passed by the voting delegates to our most recent National Convention which address the issue of veteran employment. These Resolutions have been previously supplied to the Committee.

This concludes my statement. I will be happy to respond to any questions you may have.

Resolution No.	
640	Employment and Training Assistance for Veterans.
642	Funding of Employment Service.
643	Support for DVOP Employment Program Special Funding.
645	Uphold Resident Requirements for Appointments of Directors of Veterans Employment Service.
652	Improve Disabled Veteran Job Opportunities.
655	Qualification for Veterans Employment Representatives.
673	VA Hospital Employment Discrimination.
684	Federal Contract Monitoring.
685	Reemployment Rights.
687	Veterans Representation on Federal Training Programs.
737	Support Adequate Funding for Veterans' Employment Service.

Resolution No.

740 Oppose Changes in Wagner Peyser Act.
762 Separate Funding for Veterans in Employment and Training Programs.

STATEMENT OF RICHARD F. WEIDMAN, VIETNAM VETERANS OF AMERICA

Mr. Chairman, good morning, my name is Richard Weidman, and I represent the Vietnam Veterans of America. We appreciate the opportunity to appear before this Committee to share our views about the employment problems of Vietnam Era and disabled veterans, and the programs and agencies responsible for resolving those problems. I am sure that I do not need to tell the members of this Committee that disbled and Vietnam Era veterans have experienced severe employment difficulties as a result of the present recession. We are also aware of the difficulities experienced by other older veterans laid off from their jobs, or perhaps permanently displaced with very little possibility of returning to the work which they have done for decades.

The nation has traditionally viewed the employment of veterans as a special national responsibility, and the structures established in federal law are in recognition of and response to, this responsibility. How well have those institutions worked to meet those traditional responsibilties over the last eighteen months?

The answer is not very well.

Vietnam veterans have realized for the past decade that the employment assistance available to veterans under federal law is ineffective and largely cosmetic. For the last twelve years unemployment among Vietnam veterans has risen and fallen, but has not shown a long term decline, as had been the experience of WW II and Korean veterans during a comparable period after their return. Vietnam Veterans of America believes that this is due in great measure to the ineffectiveness of the institutions and programs designed to assist veterans in that most important of all readjustment elements: jobs.

This is not the place to review the chain of failures that have characterized federal job efforts. Instead, we would like to present our observations concerning the present effectiveness of existing agencies and programs, while at the same time noting that most of these problems are chronic in nature.

As you are aware, the Congress in 1980 created an Assistant Secretary of Labor for veterans employment. This office was the culmination of a series of efforts to increase the effectiveness of the Veterans Employment Service in overseeing Department of Labor programs, developing national veterans employment policy, insuring that the needs of veterans receive the attention and response they deserve as a special national responsibility.

While we believe the present Assistant Secretary, Mr. Plowden, has achieved some successes during his tenure, particularly in assumption of control over the Disabled Veterans Outreach Program (DVOP), we at Vietnam Veterans of America are also very concerned that his office has not exercised very strong leadership in the creation of new programs and policies to respond to the present employment needs of veterans. We feel Mr. Plowden's office did not materially contribute to the creation of a veterans job training program under the Job Training Partnership Act (JTPA). Indeed, he opposed the creation of a separate program during most of the time JTPA was under development by the Congress.

The regulations for the Job Partnership Training Act, which were issued on January 18, 1983, contained no reference to the special needs of unemployed veterans. Indeed, it is our understanding that whatever input Mr. Plowden's office made to these regulations was summarily rejected by Assistant Secretary Albert Angrisani. We also understand that Mr. Angrisani has been responsible for reducing the available funding for veterans programs under Title IV, sub-part C, of the JTPA from 14 million dollars to 9.4 million dollars in fiscal year 1984. The original 14 million dollars was, in our view, scarcely enough to put a dent in the veterans joblessness picture. This latest reduction can be viewed as nothing less than insulting. What it means is that out of a 3.8 billion dollar job training program, veterans programs will be funded at 9.4 million dollars. Or, two tenths of one percent.

While we are pleased with Mr. Plowden's efforts to assume direct control over the DVOP program, we are concerned with the overall health of the Employment Service itself. The Employment Service is the keystone of the Government's employment efforts on behalf of veterans. However, its personnel and its funding continue to be subjected to unacceptable reductions. If the Employment Service is not made stronger and more viable, we think that the overall effect on the nation's efforts to employ its veterans will be very damaging.

Even with a strong Employment Service, however, more needs to be done to help get veterans back to work. The Employment Service is, after all, only a labor exchange which is totally dependent upon the number of jobs available in the labor market which happen to be listed. Moreover, we are certain this panel is aware that a majority of job openings are never listed with the Employment Service. What is needed in addition is concerted action on the part of the Veterans Employment Service (VES) to actively locate additional employment opportunities for veterans, as well as assisting Vietnam Era and disabled veterans in acquiring and properly presenting the skills necessary to successfully compete for those jobs. We are suggesting, Mr. Chairman, that the Veterans Employment Service must assume an assertive and active role, over and above its somewhat passive monitoring function with the Employment Service. This will require vision and tenacity on the part of all VES personnal, from the Assistant Secretary on down, but it can and must be done if the VES is to make a meaningful contribution toward fulfilling the nation's traditional responsibility to its veterans.

Furthermore, Vietnam Veterans of America favors the creation of a jobs program for veterans which will emphasize on-the-job training leading to substantial careers in the private sector. As you know, the Veterans Administration presently is authorized to pay benefits for an on-the-job training program under Chapter 34 of Title 38. While this program has in the past been highly successful in terms of quality of training and the completion rate of veterans enrolled in such training, it has not been successful as a jobs program in the turbulent economy of the last five years. It is furthermore not, nor was it intended to be, a jobs creation program. We believe that the VA OJT program needs to be overhauled to afford to employers an incentive for their participation in the form of reimbursement for the legitimate cost of training. We believe that such an incentive will stimulate the creation of jobs for veterans. The Veterans Administration has the administrative capacity and experience to successfully administer such employer incentive programs. We would note, however, that VA will have to energetically market such a program to the employer community, rather than passively regarding this program as simply another veterans' benefit. We would hope that Mr. Walters, Veterans Administrator, will provide the leadership from his office necessary to imaginatively and assertively implement such a program. Mr. Chairman, as you and all members of this committee are aware, the cutting edge of the "New American Economy" is in high technology and economic endeavors unimaginable only a few years ago. It is incumbent upon the Congress and the federal agencies to help insure that the human resources are available to meet those challenges, by helping to "retool the American workforce", in the phrase of Dr. Pat Choate, chief economist with TRW. It is time for the Veterans Administration to do its part to enable veterans to take their traditional role at the forefront of the nations economic growth, as their fathers and uncles, with such enlightened assistance from VA, did before them.

In closing, Mr. Chairman, much remains to be done in order to begin to utilize the tremendous resource the nation has in its Vietnam Era and disabled veterans. These men and women are vitally needed if our country is to successfully complete the greatest economic shift since the migration from the family farm to the cities by the bulk of the American populace. Perhaps, paradocically, it is only by meeting its responsibility to assist its younger veterans that the nation can hope to fully benefit from their extraordinary potential.

Mr. Chairman, I wish to thank you for the opportunity to present the views of the Vietnam Veterans of America on this important issue to you and this panel today.

AMVETS,
NATIONAL HEADQUARTERS,
Lanham, Md., February 23, 1983.

Hon. G. V. SONNY MONTGOMERY,
Chairman, House Veterans' Affairs Committee,
Cannon House Office Building, Washington, D.C.

DEAR MR. MONTGOMERY: Thank you for the opportunity to comment on the Veterans Administration's On the Job and Apprenticeship Training Programs and Veterans Administration legislative recommendations on education programs for fiscal year 1984.

AMVETS is of the opinion that the VA Apprenticeship and On the Job Training Programs are critical to the needs of the veterans of American and, especially, in this era of high unemployment. Our greatest concern on these two programs, as well the entire educational provisions of Title 38 of the United States Code are that insufficient cost of living adjustments are made in remuneration to participants. We would like to see the amounts increased in amounts consistent with those of other entitlement programs. We feel that the educational program benefits should be adjusted to meet rising costs of education in America.

Mr. Chairman, AMVETS hopes that you and the members of the committee realize that with the advent of new technology on the unusual problems caused by the Vietnam conflict and in many cases the declining health of the Vietnam veteran, there are new compensation claims being filed at Veterans Administration regional offices nationally. With this in mind, it is hoped that you and the members of the committee will watch closely the programs which are slated for elimination by the Veterans Administration so as to avoid termination of programs necessary to the vocational rehabilitation as well as advancement of veterans.

As previously stated to you and the members of the committee, AMVETS finds unacceptable that provision in the Veterans' Administration Budget which eliminates correspondence training. In many instances correspondence training is a sole source of self improvement for veterans owing to constraints placed upon them by work schedules or like obligations. We find it essential to preserve what is for many a last vestige of their G.I. Bill.

Again, thank you for the opportunity to offer for the record our comments concerning Veterans Administration On the Job and Apprenticeship Training Programs, as well as educational provisions of the G.I. Bill. We are happy to work with your committee and the Veterans Administration in an effort to preserve the educational opportunities of veterans.

Sincerely,

PETER B. CURRIER,
Deputy National Service
and Legislative Director.

STATEMENT OF JAMES G. BOURIE, DIRECTOR FOR ECONOMICS AND PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE DIVISION, THE AMERICAN LEGION

Mr. Chairman and members of this subcommittee; The American Legion thanks you for allowing us this time to present its views on veterans employment and training matters. Pertinent resolutions adopted by the American Legion are attached, with the request that they be made part of the record.

Today marks our fifth appearance in twelve months before a Congressional committee on veterans employment and training matters. Our first was before this committee in February of 1982, and at that time it was reported that there were over 600,000 unemployed Vietnam era veterans (VEV's). We added that, in effect, there were no employment and training programs for veterans, and criticized the Comprehensive Employment and Training Act (CETA) for its absolute failure to provide veterans with programs at the local level. Our subsequent statements of March, May and July also pointed out the unemployment rates for VEVs, as we watched it climb from 600,000 in February to its current 883,000. We again reiterated our deep concern over the need for a separate veterans employment and training program in the replacement to CETA.

The employment and training of all veterans, but especially VEVs and disabled veterans, is of great concern to The American Legion. Of twenty-two National Economic Commission resolutions adopted in 1982, eighteen, or over 80 percent, deal with employment and training matters. We have intensified our efforts in the area of employment by the appointment of a Legionnaire in each state, known as a Department Employment Chairman, who coordinates Legion employment activities. On the national level, we have published two new job information pamphlets, and, since their availability last July, over 100,000 of each have been distributed. The Legion also makes available a comprehensive 80-page employment Manual filled with veterans resources as well as practical job finding tips. Through our nationwide network of 16,000 posts, more and more are conducting informal job fairs; offering counseling services and providing outreach efforts.

Mr. Chairman, the Bureau of Labor Statistics report for January shows 883,000 VEVs unemployed, with an additional 492,000 termed "outside the labor market"; too discouraged to even look for work. But we have good reason to conclude that many thousands more have gone unreported for many months, perhaps years; they have simply dropped out of the system. Hardest hit are the younger VEVs, aged 25–29, who suffer nearly a 22 percent unemployment rate versus a 17 percent rate for their non-veteran peers. The veteran rate represents a jump of nearly 14 percent from December of 1981. Indeed, in the age group 30–34, the age of most VEVs, it is nearly 13 percent, up from over seven percent in December of 1981, while the rate for their non-veteran peers remains at just nine percent. Quite obviously VEVs have an unemployment rate that exceeds both the national average and that of their non-veteran peers.

The federal agency designated to respond to the employment and training needs of veterans is, of course, the Department of Labor and its office of the Assistant Secretary for Veterans Employment (ASVE). That office is charged with veterans employment and training matters and is to serve as the principal advisor to the Secretary on veterans. As a newly separated DOL component, it is staffed with 225 personnel; 17 in the national office and 208 field personnel. Through its network of Regional, State and Assistant State Directors of Veterans Employment, it overseas the administration of the DVOP and Local Veterans Employment Representatives (LVERs); veterans involvement in the Targeted Jobs Tax Credit (TJTC) program and veterans employment matters in general. However, its primary mission is the monitoring of veterans services by local and state Job Service offices. By law and regulation, veterans are to receive priority in counseling, testing, referral and job placement. Yet, it is well documented that veterans couselors service non-veterans, and that veterans receive no more priority than anyone else. We are sensitive to the difficulties of the State Employment Security Agencies (SESAs), which are burdened with a staff cap; office closings; and an increased demand for services. These also have a profound effect on priority service to veterans.

This is not to suggest that the ASVE has not taken positive steps under the circumstances; his office now has well-defined management lines; greater DVOP control and fiscal accountability, and better overall VES control to name but a few. And with the enactment of the Veterans Compensation, Education, and Employment Amendments of 1982, all veterans programs, except for the office of Contract Compliance, are consolidated under the ASVE. Additionally, that legislation provided a number of meaningful amendments to Chapters 42 and 43 of title 38, USC, that make the mission and objective of the ASVE clear. Therefore, we feel that Chapters 41 through 43 do not need any further amendment at this time. To add more legislative responsibility will only over burden that office. However, we would like to point out that, in our view, Section 2012 of title 38 regarding federal contractors is largely ignored by the Office of Federal Contract Compliance Programs, SESAs and the VES, and that the VES must take a more aggressive posture. Nonetheless, the problem with veterans employment and training matters has not been one of legislation, but one of implementation. Chapter 41 language is replete with Congressional intent towards programs, but funds were never directly and specifically provided to carry out those objectives until recently. Even now, taking the meager veterans programs under the Job Training Partnership Act (JTPA) aside, the VES has a "no programs" budget; they have only enough to maintain personnel and allow some travel.

Since the Manpower Development Training Act of 1962 and its replacement, CETA, veterans were only a target group, identical with ex-offenders and such. Local planning councils felt veterans were the responsibility of the federal, and not of local government. The American Legion consistently attacked the lack of veteran participation and long felt the need for a separate and distinct veterans training program. And, as the Congressional process wove its way to a new national manpower program last year, the Legion invested over 17 months of vigorous staff work to secure a separate veterans program. More than any other veterans organization, the Legion worked with members and staff of both the House and Senate Committees on Veterans Affairs to ensure a program, and we wish to extend our gratitutde to all those who have been most helpful. Our efforts were rewarded with Part C of Title IV Job Training Partnership Act (JTPA) which established a program of grants and contracts aimed at VEVs, disabled veterans and recently discharged veterans administered by the office of the Assistant Secretary of Labor for Veterans Employment. Indeed, there have been national veterans programs in the past. For example, the Targeted Technical Assistance (TTA) under CETA in 1980 established a multi-million dollar program which resulted in only one program, with 40 others being dropped for one reason or another.

Although we are gratified to see a separate veterans program under the JTPA, funding will be held to just over $9 million, an extremely modest sum. Moreover, program funding will not be available until fiscal 1984. What is to happen until then? Anxious veterans program providers cannot wait until next year. And we see no movement on the part of the ASVE to secure any program funds for fiscal 1983.

Mr. Chairman, $9 million allocated to veterans under the JTPA is wholly too little and too late given the magnitude of the problem. A greater and more sophisticated effort must be developed. There are hundreds of thousands of veterans who must be reached and given back their self-worth. And this cannot be accomplished by a meager $9 million effort next year.

But what do veterans need in the way of employment and training programs? We believe that programs must have long-range career objectives that combine outreach, counseling, testing, training, referral and follow-up. While funds are provided for veterans under the JTPA, program providers must "come to the funds." This has an uneven effect as there will be some states where providers will not come forth to serve their veteran communities. However, by the establishment in each state of a Veterans Resource Council composed of members of the veteran and business communities, federal agencies, community based organizations, state technical resources and others, a comprehensive state plan could then be developed to address the economic needs of all the states' veterans; not just those who are fortunate enough to have a veterans program nearby. We also suggest a "mix" of tax credits, vouchers, or other inducements to employers who hire/train veterans; as well as stipends, like those provided by the GI Bill, to veterans while in training.

The lead for this effort must be jointly vested in the Veterans Administration and the Department of Labor. The VES on the local level maintains close contact with the Job Service, veterans, business community, veterans groups and others. Thus, it is in a favorable position to understand the economic needs of veterans. The VA has long maintained a Vocational Rehabilitation program where employment and training is to play an important role. Under current mandates, the VA is to make maximum use of all state/federal training facilities, actively promote the development of employment and training for veterans; undertake effective employment and training coordination with employers; outreach efforts; payments to employers/veterans in on-the-job training programs; conduct special research and rehabilitation projects; and work with the VES. However, the employment and training of eligible veterans has not played a major role in the VA. Yet, there has been recently some major movement to correct this. In June of 1982, the Administrator of the VA and the Secretary of Labor entered into a comprehensive agreement to work together in many areas. And, while we remain somewhat skeptical as th interagency agreements, the new Administrator, Mr. Harry Walters, has refocused the agency's attention on employment. We have had long discussions with him and his assistants and are most encouraged that the VA will be playing a major role in the employment of veterans. The American Legion has seen first hand what a federal agency can accomplish for veterans once it makes that first commitment. We are referring to the SBA, which in a one-year period has made major strides to provide services to veterans; it has committed resources, time, funds and personnel in a concerted effort, all aimed at veterans. Moreover, we are encouraged by the recently expressed commitment of the VA to take its statutory employment training obligations seriously. Historically, VA has stepped aside, letting the Department of Labor assume near complete responsibility for veterans employment matters. The history of VA involvement is starkly contrasted by Administrator Walters' most recent expressions of concern just last week in answering questions about employment/training matters at the House Veterans Affairs Committee hearing on the FY 1984 budget.

With this in mind, The American Legion takes the view that VA should be given an opportunity to prove itself. In that regard, the next several months will be critical in assessing both VA commitment as well as its needs in the areas of on-the-job training and apprenticeship training. Should VA be found to need either a legislated prod or additional legislated authority, The American Legion will be in a better position to make substantial recommendations once a track record is established.

In summary, the unemployment problem of veterans are great. These problems can be corrected, but they must be addressed with a multifacted approach. Existing programs must be implemented in earnest at the local, state and national levels. Because veterans problems are a national responsibility, those federal programs in the Department of Labor, VA and SBA must be allotted sufficient funds. As with Labor and SBA programs in the past, VA programs on the books for years will only succeed if invested with sincere commitment. In our view the VA is now prepared to take the necessary steps to test the employment/training waters in long overdue cooperation with the Department of Labor.

Mr. Chairman, we pledge the cooperation of The American Legion in working with this committee to bring about a meaningful remedy to the seemingly intractable problems of veteran unemployment.

SIXTY-FOURTH ANNUAL NATIONAL CONVENTION, THE AMERICAN LEGION, AUGUST 20–26, 1982, CHICAGO, ILL.

Resolution No.: 25.
Committee: Economics.
Subject: The Office of Assistant Secretary for Veterans Employment to aggressively address veteran employment/training matters.

Whereas, The Office of Assistant Secretary for Veterans Employment of the Department of Labor was legislatively created to address the employment/training needs of veterans; and

Whereas, Chapters 41 through 43 of title 38 USC expressly articulate veterans employment training programs as administered by the Veterans Employment Service; and

Whereas, Official unemployment figures for veterans far exceed their nonveteran peers in certain age groups and it is generally held that many tens of thousands of veterans are termed "discouraged workers," and are thus no longer actively seeking service; and

Whereas, This economic condition has left veterans, especially Vietnam era veterans and disabled veterans, with a feeling of frustration and isolation; and

Whereas, The Veterans Employment Service is to specifically administer to the employment/training needs of veterans through established programs and the implementation of new programs; and

Whereas, The Veterans Employment Service must take affirmative steps to aggressively address the pressing issue of veteran employment/training matters; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that The American Legion urge the Office of Assistant Secretary of Labor for Veterans Employment to take a positive and aggressive approach as regard veteran employment/training matters as promulgated by Chapters 41 through 43 of title 38 USC; and be it further

Resolved, That The American Legion urge the Office of Assistant Secretary for Veterans Employment to implement innovative and responsive veterans employment/training programs that address the needs of veterans on the local level.

Resolution No.: 51.
Committee: Economics.
Subject: Support legislation for flexible placement for disabled Veterans Outreach Program.

Whereas, The Disabled Veterans Outreach Program (DVOP) is mandated by statute, under 38 USC 2003A, with approximately 2,000 nationwide staffers; and

Whereas, The requirements of Section 2003A provide that "no more than three-fourth of the DVOP specialists in each State shall be stationed at local employment offices in such State"; and

Whereas, The proposed budget cuts to the State employment security agencies may necessitate the curtailment of many local Job Service offices; and

Whereas, Such Job Service office curtailments will have a negative impact on the effective placement of DVOP staffers and will further hinder the implementation of the program; and

Whereas, The Assistant Secretary of Labor for Veterans Employment should, when warranted, be given the managerial flexibility to place DVOP staffers in offices other than local Job Service offices that would maximize their effectiveness and efficiency; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that The American Legion seeks to amend 38 USC 2003A that requires that three-fourth of all staff under the Disabled Veterans Outreach Program (DVOP) be placed in local state employment security agency offices and, instead, provide the Assistant Secretary of Labor for Veterans Employment with authority to place DVOP staff, when warranted for the greatest efficiency, at any time, and in any number, in offices other than local state employment security agency offices.

Resolution No.: 85.
Committee: Economics.
Subject: Placement of the Office of Veterans' Reemployment Rights under the authority of the Office of Assistant Secretary for Veterans Employment.

Whereas, Congress intended that all veteran programs be consolidated under the authority of the office of Assistant Secretary for Veterans Employment, U.S. Department of Labor, with the enactment of PL 96-466; and

Whereas, The Office of Veterans Reemployment Rights is to enforce federal laws and regulations protecting the rights and benefits of service persons to their former employment; and

Whereas, The Office of Veterans' Reemployment Rights is under the control and authority of the Labor-Management Services Administration, with the office of Assistant Secretary for Veterans Employment having no administrative control; and

Whereas, This fragmentation of veterans' programs has caused the office of Assistant Secretary for Veterans Employment to not fully implement a cohensive and efficient veterans' program, now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that the U.S. Department of Labor be urged to transfer the Office of Veterans' Reemployment Rights, including currently assigned personnel, to the direct control and authority of the Office of Assistant Secretary for Veterans Employment; and be it further

Resolved, That sufficient funds be provided the office of Assistant Secretary of Veterans Employment to maintain an adequate staff and program level within the Office of Veterans' Reemployment Rights.

Resolution No.: 105.
Committee: Economics.
Subject: Full enforcement of requirements for affirmative action for eligible veterans by Federal Contractors.

Whereas, Section 2012 of title 38, United States Code, requires that any private contractor or subcontractor who has a government contract for the procurement of personal property and nonpersonal services of $10,000 or more shall take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era; and

Whereas, This federal statute further requires contractors to list "immediately" with the local Job Service office all of its suitable employment openings; and

Whereas, Enforcement of this requirement is vested in the Office of Federal Contract Compliance of the Department of Labor; and

Whereas, The Office of Federal Contract Compliance has not, in any meaningful and substantive way, enforced the above provisions; and

Whereas, There has been, and is, a blatant disregard of the above provisions by both the Office of Federal Contract Compliance and private contractors, thus denying qualified veterans employment opportunities within the private sector; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that the Office of Federal Contract Compliance and the Office of Assistant Secretary of Veterans Employment, U.S. Department of Labor, be required to fully enforce the provisions of Section 2012 of title 38, United States Code, which are intended to help eligible veterans to find employment with contractors having federal contracts; and be it further

Resolved, That the Office of the Assistant Secretary for Employment be responsible for the administration of Section 2012 of title 38, United States Code, as regard an efficient complaint, reporting, and follow-up procedure.

Resolution No.: 257.
Committee: Economics.
Subject: Full funding for the Office of the Assistant Secretary for Veterans Employment.

Whereas, PL 96-466 established the office of Assistant Secretary for Veterans Employment, to coordinate and direct all veterans employment/training activities within the Department of Labor; and

Whereas, In order to fully implement those pertinent sections of title 38, USC, as regard veteran employment matters, the office of Assistant Secretary for Veterans Employment must be fully funded; and

Whereas, Underfunding of the office of Assistant Secretary for Veterans Employment will have a negative impact on the employment/training delivery services to all veterans, especially those of the Vietnam era; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that the office of Assistant Secretary for Veterans Employment, U.S. Department of Labor, be fully funded to carry out its mission as prescribed by law and regulation.

Resolution No.: 261.
Committee: Economics.
Subject: Seek increase in staff for State employment offices.

Whereas, The Employment Service has been in existence since 1933 providing free job assistance to unemployed persons; and

Whereas, One of the primary functions of the Employment Service is to provide veterans with an effective priority service; and

Whereas, The Employment Service budget has been severely curtailed in spite of an increase in the size of the labor market and a substantial increase in the use of the Employment Service by employers and unemployed persons during the past several years; and

Whereas, This huge increase in services requires additional staff and offices throughout the United States in the Employment Services to maintain and improve employment services for veterans and all other applicants; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that Congress and the Department of Labor be requested to support an increase of positions in the State Employment Services to a number commensurate with the increase in the labor force so that an effective employment service, including employment services to veterans, can be maintained.

Resolution No.: 383.
Committee: Economics.
Subject: Support unemployment compensation for ex-servicemen after satisfactory completion of military service.

Whereas, The Omnibus Reconciliation Act of 1981 amended Section 8521 of title 5, United States Code, to preclude the payment of unemployment compensation benefits to military people who are eligible for re-enlistment; and

Whereas, Unemployment compensation provides the ex-service person with temporary subsistence while seeking civilian employment; and

Whereas, Ex-service people are in general unable to seek permanent civilian employment while in the military since their military station is likely not in the same geographic area where they intend to reside; and

Whereas, Individuals who are not eligible for re-enlistment are rewarded with unemployment compensation benefits and the change, therefore, discriminates against those who are eligible; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, to oppose the elimination of unemployment compensation for ex-servicemen eligible for re-enlistment; and be it further

Resolved, That The American Legion seek appropriate legislation to amend Section 6521 of title 5, United States Code, to allow ex-service people to collect unemployment compensation.

Resolution No.: 389.
Committee: Economics.
Subject: Oppose any changes in the Wagner-Peyser Act having adverse effect on veterans.

Whereas, The Congress, in the passage of the Wagner-Peyser Act of 1933, provided, in part, for the creation of the United States Employment Service; and

Whereas, The Act directly benefits veterans, who are to receive priority in the employment services provided under the Act; and

Whereas, Possible amendments to the Act may cause harm to veterans programs; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that The American legion oppose any changes in the Wagner-Peyser Act that may adversely affect veterans.

Resolution No.: 461.
Committee: Economics.
Subject: Adequate funding and accounting of funding for the Disabled Veterans Outreach Program.

Whereas, Congress made permanent the Disabled Veterans Outreach Program with the enactment of PL 96-466 (38 USC 2003A); and

Whereas, Appropriations for the program are authorized under title 42, Section 1101, United States Code; and

Whereas, Under that authorization are all employment activity services, but not identified as specific line item budget amounts within the Department of Labor's office of Assistant Secretary for Veterans Employment; and

Whereas, Such fiscal grouping of programs may cause other programs to be funded to the detriment of the Disabled Veterans Outreach Program; and

Whereas, Such fiscal groups of programs provides no fiscal control and accountability of the Disabled Veterans Outreach Program; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that Congress and the Department of Labor be urged to provide the Disabled Veterans Outreach Program with specific and separate line item budget requests, and be it further

Resolved, That the office of Assistant Secretary of Labor for Veterans Employment be urged to implement an effective administrative control mechanism to ensure Disabled Veterans Outreach Program funds are utilized for the intended purpose.

Resolution No.: 495.
Committee: Economics.
Subject: Oppose any change in residency requirement for State and Assistant State Directors of Veterans Employment.

Whereas, The Congress of the United States has enacted legislation providing for a Veterans Employment Service, in which there shall be State Directors and Assistant State Directors of Veterans Employment who shall be eligible veterans; and

Whereas, The law also requires that at the time of appointment each State and Assistant State Director of Veterans Employment must be a bona fide resident of the State for at least two years; and

Whereas, The assigning of a local state resident to the position of State and Assistant State Director of Veterans Employment is advantageous to the government and veterans, as the individual is knowledgeable about State programs, as well as acquainted with State and local officials; now therefore be it

Resolved, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that the American Legion oppose any change in the two-year residency requirement for appointment of State and Assistant State Veterans Employment Representatives as now required by law.

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